

JACKY TAI

GET A NAME!

**10 Rules To Create A
Great Brand Name**

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**Marshall Cavendish
Business**

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*This book is dedicated to Wilson, Adeline, Prantik,
Elgin, Raine, Eileen, Mervin, Lerisca, Nicholas, Kennie, Sheena,
Hui Zhi and Elvira – my learned colleagues and trusted comrades.*

~ Jacky ~

9 January 2009

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FOREWORD

I have often been asked why it is that I use so many business-to-consumer (B2C) brands to illustrate the principles of branding even though I work for a business-to-business (B2B) branding specialist, and the answer is a simple one. B2C brands are known to more people than B2B brands because B2C brands tend to be more mass-market, while B2B brands tend to be specialised and more niche-market. Even if you were in the B2B sector, you might not know a B2B brand from another industry. Having said that, I do use B2B brands that are well-known. Some have become such household names that many people are shocked when I say they are B2B brands.

Intel is one example of a B2B brand. It really is. Who does Intel sell to? Other companies. Intel does not sell its products directly to consumers but to various computer manufacturers. FedEx is another B2B brand. Again, many people will roll their eyes. Who uses FedEx? Companies or consumers? Mostly companies. Think back to the last time you used FedEx. Was it to send personal stuff or work? Likewise, Hyflux is a B2B brand but it is well-known enough such that I can use it where appropriate to illustrate the principles of branding. Caterpillar is a hardcore B2B brand that sells construction equipment to construction companies, but I use it to exemplify some of the topics covered because it is well-known.

Throughout this book, you will find a mixture of B2B and B2C brands being used to demonstrate the rules of naming. While it is true that I focus my branding work on B2B companies, I use many B2C brands to illustrate the principles of branding, differentiation and even naming, because most B2B examples would be lost on the majority of people. Let's say you are a B2B company that makes windscreens which you then supply to car manufacturers. That makes you part of the automotive industry. Still, you may not know many

of the other B2B brands in the automotive industry because you do not deal with or use them.

For example, as a windscreen supplier to automotive manufacturers, you may not have heard of Getrag even though it is a famous brand specialising in gearboxes, nor of ZF, which is well-known for power steering systems. Likewise, Eibach may be unfamiliar, despite it being a leader in coil springs used in the car's suspension system. Bilstein? Koni? Both are famous for their shock absorbers. You may not even have heard of Hella, the renowned manufacturer of headlights; of Marelli, reputed for engine management systems; and of VDO, who are highly regarded for instrumentation displays.

That is why I have to use brands most people have heard of, to make it easier to illustrate the rules of branding, differentiation and naming. This means that, very often, I end up using B2C brands. However, the principles of branding, differentiation and naming are like Mathematics: One plus one equals to two. They work the same way for B2B, as well as B2C or hybrid brands. They work whether you are a product or service company. And they work the same way in Singapore as they do in the United States or Timbuktu or Bora Bora.

Do not be overly concerned if you do not find brands from your industry being used in this book (or any of my books for that matter). Focus instead on the principles of naming I will be discussing. In fact, if you do not find brands from your industry, that might actually be a good thing because this book only uses brands that are considered strong. Maybe there are no strong brands from your industry. If so, you can be the first. If, on the other hand, there are many strong brands in your industry and you are not one of them, you are in big trouble!

In reading this book, remember these few things; they will help you get the best out of what has been written:

1. The principles of naming are the same regardless of whether you are a B2C, B2B, hybrid, product, service, brick-and-mortar or e-commerce brand. They are also the same regardless of the country you are from.
2. All big brands start out as small brands. Do not look at the size of the brands today. Look at what they did in terms of naming when they were small. The rules of naming are the same for start-ups, small and medium-sized companies or multinationals.

3. While there are exceptions to the rules of naming, these are rare. To improve your chances of creating a great name, play by these rules. Do not try to be a hero and attempt to be the exception that succeeds in flaunting them and getting away with it.

I have also been asked if there are specific rules of naming for companies at different stages of growth, and the answer is no. The rules of naming – just like the 10 Rules Of Branding and the 13 rules of differentiation highlighted in my previous two books – apply to any company. They are even more critical, because while you can start applying the 13 strategies of differentiation a few years or decades into your existence, you need to get the name of your brand right before you even open for business – the reason being that names are hard to change. Many companies underestimate how hard, and how potentially expensive, it is to change even a bad name.

A name is one thing you should get right from the start. Better that, than to try to fix things. Given how fast the business world moves and how quickly your competitors punish you for mistakes, there may not be a later if you start off on the wrong foot.

CHAPTER 01

Continuing The Brand Journey

BRAND building is a never-ending process. There are so many components that it will take me a few more years – and a few more books – to cover them all. For now, our mission to help educate Asian companies in the art and science of branding has pulled into the third station: naming strategies.

This book is a continuation of the journey that was started in 2007 with the launch of my first book, *Transforming Your Business Into A Brand*, co-authored with my colleague, Wilson Chew. That book talks about the 10 rules of branding all strong brands – be they global, regional or local – are built on. Over the years of consulting, we have come to realise Singapore has actually bred many world-class companies – companies that are fundamentally sound, well-managed, efficient and who provide high-quality products.

The fact is Singapore has many world-class companies but not that many world-class brands, which is why, when compared to many of their counterparts in the West or even Japan and South Korea, Singapore companies have comparatively low brand values. All else being equal, a Western company has a higher percentage of its value in intangible assets than a Singaporean company.

When you have a strong brand, the intangible part of your brand value increases. And, when it comes to intangibles, the sky is the limit. If you base your value largely on hard assets — physical items you own — there is a limit to how much you can grow. Having an intangible asset value that is too high can also be dangerous. However, most Singapore companies are undervalued because they have failed to build a stronger brand. This is the consensus among independent brand valuation experts I have worked with.

All else being equal, people also generally prefer Western to Asian brands. Westerners, in general, like to use Western brands. Asians, too, prefer Western brands. Are Western brands better in terms of quality, innovation and efficacy?

Not necessarily. But they are stronger brands. Hence, in many product categories, Western brands are preferred. Some Japanese and Korean brands have made inroads into the minds of customers worldwide, thanks to years of hard work in innovation and brand building, but fewer Singapore companies have had the same kind of success.

I also made a distinction between a business and a brand in my first book. Most Singapore companies – although world-class in many operational aspects – are merely businesses and not brands, because they do not own a powerful idea in the minds of people. Their customers buy from them for the simple reason that they are cheaper. A brand is something that is intangible. It exists as an idea in the minds of your customers. When your brand is linked very strongly to an idea, you have a powerful brand. Otherwise, you only have a business. In this day and age it is not good enough to merely have a business, because no matter what you have to offer, your competitors can match it. Over time, these competitors (some of them, anyway) will be able to do it better and cheaper. To survive this age of hypercompetition, you need a brand. To thrive despite constant assault from your competitors, you need a *strong* brand.

Transforming Your Business Into A Brand was written because Wilson and I see much potential in Singapore companies. We want to help them transform from just well-run businesses into powerful brands. Nothing is more frustrating than seeing a company that is better than its competitors do less well in the market because it does not brand itself well enough. I once met some venture capitalists from Silicon Valley. I also spent some time with the Silicon Valley start-up guru John Nesheim – whose expertise is in helping start-ups raise funds – to learn about packaging a start-up for successful fundraising. These guys asked me, “Do you know what is wrong with your Singapore companies?” I answered, “I have a pretty good idea but why don’t you tell me anyway?” And they said something to the effect of, “In terms of quality, innovation and sophistication, many Singapore companies are on par or even better than their American counterparts, but they tend to lose out in the market – and they always will – because they do not have the slightest idea how to market themselves. While their American counterparts are great at branding, Singapore companies are nowhere near as competent.”

That was hard to swallow but I have to agree. The Americans are better at this, and one of the reasons is the notion held by Singapore companies that if you build a better mousetrap (product), you can trap more mice (customers). But mice these days are quite brand-conscious. What companies need to do is not just build a better mousetrap, they need to build a better *brand* of mousetrap. This is what the business world has come to. Thanks to advances in technology and hypercompetition, the quality gap between the best and worst has narrowed so much that even if you buy the lousiest DVD player, mobile phone, digital camera, washing machine, refrigerator or computer, chances are, these things will still get the job done well enough. Where is the difference then? In the brand. It is all about the brand. Quality is a given. To win these days, you do not need a better mousetrap but a better brand.

Branding is all about differentiation. If you are not differentiated, you have to sell cheap; this is Rule No. 5 in *Transforming Your Business Into A Brand*. That is the truth. If your customers cannot *perceive* any relevant difference between you and your competitors, they will just buy from whomever is cheaper. As long as you are cheaper you will have business. But how long can you maintain that price advantage?

Even when customers want to buy something cheap, they have a large selection. For example, if you want to buy a cheap water pump for your factory, there is plenty to choose from. Which do you buy? The one with the better brand. If you want to buy a cheap forklift, there are many possibilities, so you buy the one that is different – meaning, the one that is stronger in your mind because it is positioned as different. If you want to buy a cheap car, you go for the one with the least unglamorous badge – meaning, the stronger brand among the many cheap car brands.

Because of the importance of differentiation, we took Rule No. 5 and expanded it into a detailed book on the 13 strategies you can use to differentiate any brand in any market, to gain a competitive advantage. The 13 differentiation strategies were applied to every branding project we undertook, and we offered many successful case studies to illustrate them in action in *Killer Differentiators*, our second book, which was launched in 2008.

Well, I do not think we are done yet. The journey continues. This third book is also based on one of the 10 Rules Of Branding outlined in *Transforming Your Business Into A Brand*: Rule No. 7, The Power Of A Great Name. Having a great name involves one of the most critical branding decisions you will ever have to make, as I will explain in Chapter 2 (*page 20*). Unfortunately, naming

is a discipline whose importance is underestimated. Even among those that acknowledge the importance of the brand name, many end up with bad names because they do not understand the rules of naming. In this book, I will talk about the 10 rules you must follow to the letter. You must know them well. Either that, or the only way you will come up with a great brand name is through a mighty stroke of luck. Although luck does play a role in naming – as it does in other aspects of business – I would rather you not rely on it; luck is not a very reliable business partner. In addition, I will discuss the 12 common naming mistakes (*Chapter 14, page 294*).

This naming book is deliberately different from others you may find on the market – there are not that many to begin with – because I really wanted to delve deeper into the most important aspects of name creation. The importance of each of these 10 rules and their successful application is explained in detail.

I have also included, where relevant, exceptions because these rules are not the laws of physics. As such, there are certain peculiar, but rare, circumstances in which you can succeed despite violating them. However, I hope you will not get overly excited about these exceptions. I want to discuss them to give you a complete picture but what you need to focus on is complying with the rules. The funny thing about people is that they do not like to play by rules. It is part of human nature. Some people think that rules are made to be broken or bent, and there is a misplaced sense of heroism about getting away with that. Maybe it is also human nature to be lazy and take short cuts on things that are difficult, and naming is a difficult thing.

This is the same phenomenon Al Ries mentioned at the Global Brand Forum 2004 in Singapore. During the Q&A session, he spoke about the importance of keeping the brand focussed regardless of the market. Well, Ries is the king of focus. He wrote a book entitled *Focus: The Future Of Your Company Depends On It*. His firm, Ries & Ries, is positioned as “Focussing Consultants”. Someone in the audience asked if it was okay to line-extend a brand for different markets if those markets demanded it, and he replied that you can tweak the brand through line extensions from market to market but you must be careful not to change the essence of the brand. After that, he laughed and said, “I can see so many of you frantically writing this down. You people just love to do line extensions, I don’t know why.” Staying focussed is not an easy thing but I fully agree with Ries on this one. It may be the right thing to do but people just want to break rules.

As far as possible, I hope you will play by these rules. You will have a better chance of creating a great name. Try taking short cuts, and you are likely to end up with a bad name that will be very painful to fix a few years down the road. At that point in time, you would call on somebody like me and my colleagues to clean up the mess and that will be expensive.

Finding a good name is so important that even the Bible talks about it. In chapter 22 of the book of Proverbs, verse 1, it says, “A good name is rather to be chosen than great riches, and loving favour rather than silver and gold.” Whether or not you are a Christian, this passage makes a lot of sense, even in the world of business. A good name will help your business in the long run. Without a good name, success will be short-lived. Although the Bible is probably referring to “good name” in terms of a good reputation, I believe it would be impossible to have a good reputation if you mess up your naming strategy. This book is written to get you off to a good start when creating a good brand name. It will also show you how to recognise a bad brand name and fix it if you happen to be saddled with one.

This is by far the most difficult book I have written. It almost never happened because naming is a subject that is more difficult than differentiation strategies. I was even contemplating writing one of the others I had planned for the future first but naming strategy is such an important aspect of building a brand that I persevered. I think the end result is worth the sleepless nights I spent agonising over the content.

So, the journey started with the 10 Rules Of Branding all brands need to play by to become strong brands. It continued when we took an in-depth look at the 13 differentiation strategies any brand – including yours – can use to create relevant, desirable and defensible differentiation. Now, we are going to take a look at the 10 Rules Of Naming that will help you wrap a great name around your brand. Just as a journey of a thousand miles begins with the first step, I hope this book will be that first step for you in understanding and creating a powerful brand name.

CHAPTER 02

Why Do You Need A Strong Brand?

WHENEVER a company calls about undertaking a branding project, my colleagues and I usually ask a very important question: “Why do you want to do a branding project?” There are basically two types of companies that want to embark on branding projects. The first is one that has run into serious problems with the competition or can foresee serious problems just around the corner. It wants to start a branding project to develop a stronger brand that has a fighting chance against ever more aggressive competitors. The second is the brand that has done very well over the years and is still doing well, but wants to develop a stronger brand that can continue to grow; it wants to strap an afterburner on so the brand can really take off.

Regardless of the type of company you are, you are vulnerable if you do not have a strong brand. Those aggressive competitors of yours are just waiting for you to make a mistake so they can pounce on you and steal your customers. A strong brand is both a defensive and offensive weapon. With a strong brand, you can defend your market share against competitors both new and old. You can also take the fight to your competitors and win. This gets more important as your market matures, because in a mature market, the only way you can grow is through conquest sales. That means for you to gain one sale, someone else has to lose one. A strong brand allows you to do that. It is like having a bigger and more effective sales force that works tirelessly to persuade potential customers to switch to your camp.

WHAT IS THE DEFINITION OF A STRONG BRAND?

I mentioned in the previous chapter that a brand is something that is intangible. It does not exist in the real world but in the minds of your customers. It is an idea that is linked to your brand. A strong brand is one that leads in the mind. The mind needs to categorise everything presented to it for easy reference. When presented with a category – whether for a product or a service – it will organise that category according to attributes that are important, then attach a brand to each attribute.

A buyer of a luxury car might rank the five most important attributes as prestige, refinement, performance, design and exclusivity. The brands attached to each could be Mercedes-Benz, Lexus, BMW, Audi and Maserati. A strong brand needs to own an idea – for example, an attribute that is important to the customer in that category. The mind is the real battlefield of branding. That is why a strong brand must first gain leadership in the mind before it can gain leadership in the marketplace.

A strong brand, by the definition used in my firm, must meet the following criteria:

- It must be linked to a big idea in the minds of customers. By that, I mean the idea must be one that is important to customers. Any brand that hopes to be strong must find a big idea to own. Otherwise, it will have little or no hope of becoming a strong brand. If you look at any brand that is generally considered to be strong, you will find that it is linked to a powerful idea in the minds of its customers.
- It must have perceptual leadership: The mind must perceive it as a leading brand – meaning, it is seen as No. 1 or No. 2 in the customers' minds. If a brand is *perceived* as a leader, it will have a chance of becoming the leading brand in the market even if it is not. When we mention rental cars, what is the brand that comes to mind? Hertz. Hertz has lost its market leadership to Enterprise, but it is still perceived as the leading brand by a lot of people. As long as Hertz has perceptual leadership, it is a strong brand and could eventually regain its market leadership.
- It must be highly differentiated. The customer must perceive it as being different compared to its competitors in ways that are relevant, desirable and defensible. There is no point in being different if that difference is not relevant to customers, not desirable and not defensible against competitors in the long run. A strong brand must be different-smart, not just different for the sake of being different. Being different is easy. Being different with a great idea is not.
- It must have the ability to dominate its category in the geographic markets it is competing in. Even if a brand is not No. 1 or No. 2 globally but is the leader in its key markets, we would consider it a strong brand. After all, if you sell only in 10 markets compared to a competitor who sells in 100, it would not be surprising for that competitor to garner more sales. So if you are the dominant brand in your 10 markets, you have a strong brand.

A STRONG BRAND GIVES DIRECTION TO INNOVATION AND MARKETING

Peter Drucker, who has been hailed the father of modern management, once wrote, “The business enterprise has two – and only two – basic functions: marketing and innovation. Marketing and innovation produce results: All the rest are ‘costs’.” I agree with Drucker.

Without innovation, your competitors will quickly overtake you. Motorola invented the mobile phone but its innovation programmes have not kept pace with those of Nokia and Samsung. Today, one in three mobile phones sold is a Nokia. Motorola’s mobile phone division has suffered a loss of sales and market share. When we talk about innovation, we are not only talking about product innovation or innovation that requires lots of R&D. Innovation can also be found in mundane activities like logistics, accounting (in terms of speed and accuracy), administration, etc. Isuzu in the 1980s found an innovative way to contain costs that spiralled with the high yen: It rearranged the control consoles for its factories into a semi-circle so that three consoles could be operated by two engineers instead of three.

However, without proper marketing, even the most innovative products will fail. These two components need to go hand-in-hand for a company to experience sustainability. So, if a business is all about innovation and marketing, what is the role of branding? Why do you need a brand strategy? Well, my colleagues and I have met many companies that believe in innovation and marketing. They all want to be the next Samsung. But they do not have a clear brand strategy to give direction to their innovation and marketing programmes. They are all over the map when it comes to these two things. Where are most of these companies today? Nowhere. They are either dead or struggling, which is quite sad as some of them could have become the next big thing because they actually had fantastic products or applications.

Here’s the thing: If you do not know what your brand is, what it wants to be, how it wants to be perceived, how it can be differentiated and where it wants to go, how would you know what innovation and marketing programmes to run?

And branding is not the same as marketing. Branding is all about differentiation. It is strategy. Marketing is all about communicating your differentiating idea well, so that the brand becomes firmly lodged in the mind as something that stands for the idea you want to own. Marketing is execution. Put simply, a brand is an idea you own in the minds of customers. The mind is like a wall your brand must penetrate. Branding is like the nail – the idea that differentiates your brand. Marketing is the hammer that drives the nail into the wall.

A strong brand is a brand that drives the company's innovation and marketing in the right direction. Think of BMW and immediately, "The Ultimate Driving Machine" comes to mind. That's because BMW has positioned – and differentiated – itself on performance. Because BMW is very clear about what it wants its brand to be, it knows what kind of innovation and marketing programmes to run. BMW's innovations are directed at creating vehicles that are the best to drive in their class. Apparently, even BMW's giant fuel-guzzling SUVs that weigh well over two tonnes drive very well. Now, that is what I call living up to what the brand stands for. And BMW's marketing is all directed at communicating the fact that its cars drive like nothing else on the road. Make sure you have a strong brand or you will end up running in a hundred and one directions until the company is torn apart.

A STRONG BRAND MAKES IT EASIER TO ACQUIRE CUSTOMERS

This is a no-brainer. People buy from strong brands. What about price? The leading brands are generally more expensive by about 10 to 15 per cent; yet, they fly off the shelves. For financial reasons, however, there will always be people who have to buy lower-priced brands. But out of all those that fall within their budget, which do they buy? The strongest, of course! You do that too, don't you? You look at the brands that fall within your budget and choose the leading one. It is as simple as that.

A strong brand is one that is highly differentiated. If a brand is not differentiated against its competitors, it will be forced to sell cheap. The logic is simple: If you have an option to buy Brand A, Brand B and Brand C and are unable to discern any useful difference between them, what do you do? You buy the cheapest one. But finding a relevant differentiator is so hard that many companies do not even bother.

Many companies have told me they are differentiated from their competitors because they stand for quality; they provide good service; they value their people. Unfortunately, all their competitors are saying the same thing. When everyone is claiming the same thing, that thing ceases to be a differentiator. Furthermore, quality, service and people have become things that customers have come to expect from you. You must be at least as good as your competitors on these scores to be considered. The scary thing is that the quality gap has closed so much that even the worst product in any category will usually still get the job done. Even if you buy a low quality car these days, chances are, it will still take

you from point A to point B just fine. So, what drives the purchase decision when quality, service and people are now considered must-haves? The brand. A strong brand makes it easier for you to acquire customers.

According to the renowned psychologist Dr Robert Cialdini, there are two types of buyers – initiators and imitators. Initiators account for five per cent of buyers. They are not influenced by what other people buy. They are the trendsetters. The other 95 per cent of buyers are imitators: They buy what other people buy. Basically, what this means is that there are two types of customers: Those who may not necessarily buy from leading brands and the others, who tend to buy from leading brands. There are more people who prefer to buy from leading – meaning, strong – brands so if you have a strong brand, it would be easier for you to acquire new customers.

A STRONG BRAND MAKES IT EASIER TO RETAIN CUSTOMERS

I have been told by marketing professors and CRM (Customer Relationship Management) experts that it is six times cheaper to retain an existing customer than to acquire a new one. A strong brand makes it easier to retain customers. Apple is a powerful brand in MP3 players. Although an iPod is more expensive, do people give up their iPods for another brand of MP3 player? No. Creative Technology once ran a promotion in Singapore – some time around 2005 – that offered an attractive deal to those who would trade in their iPods for a Creative MP3 player. Only a handful of people turned up. Why? Because Apple is a strong brand. When you strip away the layers of complexity and hype that often surround a well-known brand like Apple, that is all there is to it. Strong brands hang onto their customers more easily.

When you have a strong brand that sticks in the mind, your customers will think very hard about switching to another brand even though it is a bit cheaper. People want to be associated with successful people and to be seen using the best brands because it says something about them. Why do people wear Rolex, drive Mercedes-Benz and put on Hugo Boss suits? These brands speak success.

Even if Lexus did make a better car than Mercedes-Benz – and Lexus is consistently ranked higher than Mercedes-Benz by J.D. Power & Associates in terms of quality – it would be hard to convince a Mercedes-Benz driver to switch. Mercedes-Benz, despite its recent quality problems, is still a strong brand, and that makes it easier for it to retain its customers.

Similarly for B2B brands: Intel is a strong brand. If you are a computer maker and AMD comes to you with a better, faster, more energy-efficient chip at a lower price, you might still not switch. Intel is a strong brand and computer makers want to be associated with it. They want people to see the “Intel Inside” logo on their computers. That is one of the reasons why Intel is still the No. 1 brand when it comes to computer chips.

Caterpillar makes construction equipment. If you were a construction company and a potential client shows up at your place, all that Caterpillar equipment you use is likely to inspire confidence. That makes it easier for Caterpillar to retain you as a customer even if it is the most expensive. As a construction company, you want to be associated with the best brand in construction equipment.

The bottom line is that a strong brand makes it easier for you to retain a customer. Since it is six times more expensive to find a new customer than to retain an existing one, it makes sense for you to invest in building a strong brand.

A STRONG BRAND MAKES IT EASIER TO HIRE TALENT

People are attracted to the idea of working in companies with strong brands. That is why you often hear small and medium-sized companies (SMEs) complain that they have difficulty hiring the right people. All the top talent want to work for the big brands. It is not true that smaller companies cannot compete with the big boys for talent. You can, but you need to have a strong brand.

When my colleague Wilson was doing his MBA at the University of Strathclyde in Glasgow, he studied how the small companies in Scotland competed – successfully, by the way – for talent with the big brands. He and his team came to the conclusion that the brand played a big part. People are attracted not to big companies but to strong brands. The size of the company does not automatically mean it hires people more easily. The strength of the brand is what matters.

In the mind, the size of the company does not correspond to its brand strength. Alienware is a very small computer company by the standards of HP, Dell, Acer and even Lenovo. But Alienware is a powerful brand among people who want computers with serious speed – gamers, for instance. Alienware is a small company but a strong brand. So, is it hard for Alienware to hire people? I think not. People want to work for Alienware. It is a strong brand that knows what it wants, and what it wants is for its employees to design and build

computers as if they were designing and building for their own use. Do any of the big computer companies have such a clear brand strategy? Nope.

However, a strong brand may not play that big a role in retaining talent. Many studies conducted by human resource experts have shown that when people leave a great-paying job with a top brand, the reason often has to do with their direct supervisors. Human resource experts have also been telling us that people do not leave their jobs; they do not leave their companies. They leave their bosses. So, while a brand can help you attract talent, whether or not that talent stays is dependent on the immediate supervisor. But this is a discussion we have to leave for another book on employer branding strategies. It is an interesting topic but too complex to be discussed here.

A STRONG BRAND MAKES IT EASIER TO GET LOANS

One day, Wilson walked into my office and proclaimed, “StrategiCom is now a strong brand.” I asked, “Based on what measure? We are an evidence-based consulting firm, my friend. Show me the proof.” He said, “The bank just called me to say that they want to loan us money – lots of money, in fact.” He then burst out laughing.

Here is the thing with banks: They will only lend you money when you do not need it. When you are a nobody, nobody wants to make you a loan but that is when you need it most. When you are somebody, everybody wants to lend money to you. It is a strange world we live in.

We are not saying we are already a very strong brand. Wilson’s statement was meant to be a joke but it is a fact that strong brands find it easier to borrow money and are given better rates. Banks perceive these brands as having the ability to repay a loan. So, it pays to build up a strong brand. If you have a business that makes money but do not have a strong brand of your own, you may find it harder to get credit for your company.

A STRONG BRAND PERFORMS BETTER FINANCIALLY

In 2008, StrategiCom and DMG Research conducted a joint study to see if there was an association between a company’s perceived brand strength and its financial performance. There have been many such studies in the West using Western brands. All have found that companies with a high brand strength index outperform companies with a lower index. In fact, strong brands tend to

outperform the stock market in most cases. However, there did not seem to be comparable studies in Asia. Therefore, StrategiCom and DMG Research decided to team up to do a study on Singapore companies listed on the Singapore Exchange. What we found was very interesting. There is, indeed, an association between brands that are perceived to be strong and their financial performance. Financial performance in this case was defined as share price expectation.

A STRONG BRAND IS A VALUABLE ASSET

Brands can be worth a lot of money if you are successful in building a strong one. You can dramatically increase its value beyond what you own in terms of physical assets and there are various studies to prove this.

Brand Finance is a company I have worked with. An independent intangible asset valuation firm headquartered in the United Kingdom, it publishes ‘Brand Finance 250’, an annual report on the 250 most valuable brands in the world according to its valuation methodology.

The 2007 report¹ listed the following as companies whose intangible asset – the brand – contributed most to the company’s overall value (also known as “Enterprise Value”).

<i>Brand</i>	<i>Enterprise Value (US\$ million)</i>	<i>Value Contributed by Brand (per cent)</i>
Nike	\$17,818	84 per cent
Prada	\$3,984	77 per cent
Acer	\$3,181	71 per cent
Avon	\$14,074	68 per cent
Bulgari	\$2,284	68 per cent
Chanel	\$10,737	66 per cent
Estée Lauder	\$8,668	61 per cent
Quicksilver	\$2,534	60 per cent
Calvin Klein	\$3,094	58 per cent
Adidas	\$5,260	56 per cent

¹ <http://www.brandfinance.com/Uploads/pdfs/BF250per cent20FINAL.pdf>

As you can see from the table, a strong brand contributes significantly to a company's value. Take Nike: The company was valued at US\$17.8 million, and out of that, the contribution of the intangible asset to the total value was 84 per cent. That means, of the US\$17.8 million of Nike's total value, US\$15 million was contributed by the brand. Nike does not own any factories. It focusses on product R&D, design and marketing. The production is outsourced. So, Nike does not actually have many hard assets. Despite that, it is worth US\$17.8 billion, according to Brand Finance's calculation.

Not all of the Top 250 brands have such a high percentage of their value being contributed by their brand. Brand Finance puts the average at about 18 per cent. For the stronger ones, that percentage could be more than 50 per cent. Let's take a look at the Top 10 brands by absolute brand value.

<i>Brand</i>	<i>Enterprise Value (US\$ million)</i>	<i>Value Contributed by Brand (per cent)</i>	<i>Brand Value (US\$ million)</i>
Coca-Cola	\$110,442	39 per cent	\$43,146
Microsoft	\$248,010	15 per cent	\$37,074
Citi	\$274,605	13 per cent	\$35,148
Wal-Mart	\$239,697	15 per cent	\$34,899
IBM	\$149,384	23 per cent	\$34,074
HSBC	\$240,568	14 per cent	\$33,495
GE	\$717,630	4 per cent	\$31,850
Bank of America	\$266,125	12 per cent	\$31,426
Hewlett- Packard	\$245,506	24 per cent	\$29,445
Marlboro	\$188,803	14 per cent	\$26,990

The world's most valuable brand is Coca-Cola with a brand value of US\$43 billion, which is 39 per cent of Coca-Cola's total value. GE, in seventh place, has a total value of US\$717.6 billion. That is much higher than Coca-Cola's in absolute terms but GE is ranked seventh with a brand value of US\$31.9 billion because its intangible asset contribution is only four per cent. This is also very interesting: A company like GE has a higher value than Coke – probably because GE has more hard assets. GE's absolute value is about seven times

more than Coke's, but Coke's brand is valued at around US\$12 million more. That is certainly food for thought.

A STRONG BRAND MAKES IT EASIER TO ERECT BARRIERS OF ENTRY

They say that once you get to the top, there is nowhere to go but down. They say it is easier to get to the top than to stay there. Whoever "they" are, they have no idea what they are talking about! Once you are at the top, it is easier to stay there unless you become complacent and arrogant. When you are at the top, you need to keep focussing on maintaining your brand so that the brand can continue to drive your business. Brand building is a never-ending thing. You need to keep at it to keep your competitors off balance.

A strong brand helps you block your competitors. Gillette is a strong brand in razors, and that helps it to erect barriers of entry to new competitors. The razor market is a lucrative one; that tempts new players – it always does. However, because Gillette is such a strong brand and it blocks every competitive move aggressively, any potential competitor would have second thoughts. When you have built up a strong brand, you look intimidating. That is the best type of entry barrier: the psychological type. Once you have scored a psychological win, the rest is a lot easier. Once you have beaten them in the mind, you have won.

When a strong brand copies its challengers, it is seen as protecting its turf. When a weaker brand copies the stronger brand, it is seen as a copycat and a wannabe. I have seen many cases of relatively unknown Singapore companies coming up with highly innovative products. Within half a year, the leading brands would come out with their own versions of these innovative products and theirs would become the bigger-selling items. Life is not fair if you do not have a strong brand.

A STRONG BRAND DRIVES CORPORATE CULTURE

When you have a strong brand, it helps to shape and maintain your corporate culture. Too many companies have serious problems in this regard. With a strong brand, however, it would be easier for them to build and maintain their culture even as they grew – and even as employees came and went.

Consider Harley-Davidson. The brand is basically defined by its rebellious personality. Everything about a Harley-Davidson, from the way it looks to the way it sounds to the kind of people associated with the brand, is rebellious. So, if you were working in Harley-Davidson, you would not need too much of an

induction. As a designer, for example, you would be expected to design a bike that looked like nothing else on the road – a bike that embodied the freedom to do as you pleased, a bike with a wild, rebellious streak. New and old employees know what a Harley-Davidson is all about and what they need to do to be in line with the brand.

What about a brand like Apple? Apple is all about trendy and user-friendly consumer electronics gadgets. If you were to join Apple as an employee, you would already have prior knowledge about the brand and that would shape the way you behave. This is another case of how a brand can shape corporate culture.

Google is another strong brand that sets out to organise the world's information and it is a brand that professes to do no evil. I have met various Google personnel from all over the world. They each know what the brand is about. They talk the Google talk and walk the Google walk, because the brand is strong enough to shape its own culture despite having thousands of employees from all over the world.

In a nutshell

A strong brand

- is linked to a big idea – just one, not a hundred – in the minds of its customers.
- must have perceptual leadership, which means that people perceive it to be a market leader whether or not it is.
- must be highly differentiated: You simply cannot have a strong brand unless you are differentiated in a way that is relevant, desirable and defensible.
- must eventually be one that dominates its category.

Why do you need a strong brand? A strong brand gives direction to your company's innovation and marketing programmes. It makes it easier for you to acquire customers because while there are two types of buyers – the ones who want to buy from leading brands and the ones who do not – there are more of the former. You will also find it easier to retain customers because customers want to be associated with a strong brand. There is hardly any incentive for them to switch.

Corporately, strong brand makes it easier to hire talent. People want to work for successful brands – it is just human nature. A strong brand also drives corporate culture.

A strong brand attracts offers of bank loans, and no wonder: They perform better financially over time. A strong brand is a valuable intangible asset that can boost your company's overall value. And, it makes it easier to erect barriers of entry because potential competitors will think twice before picking a fight with you.

If you do not have a strong brand, you had better have a low, low price.

CHAPTER 03

**You Can't Build A Strong Brand
With A Lousy Name**

BUILDING a brand takes time. It is something that cannot be rushed. It needs patience and consistency – just like growing a plant. If you are someone with very little patience, you will not be able to build a strong brand. If you have itchy fingers and can't help but mess with a successful formula, you will not be able to build a brand either. Building a brand requires that you do the same thing day in, day out.

Rome was not built in a day. The mighty oak tree did not grow up overnight. Similarly, a brand takes time to build. You can't force it to grow, much like you can't force a plant to grow. What happens when you add too much fertiliser, water and sunlight? You kill the plant. Similarly, when you force farm animals to grow quickly by using unnatural methods like steroids, you create animals with all kinds of problems and diseases. When forced to grow quickly, chances are, a brand will also die quickly.

Remember the bubble tea phenomenon? The category grew quickly and died quickly. That is what a fad is about. It comes with a bang and goes out with a whimper. You do not want your brand to be like that. You want your brand to be like a trend. A trend starts almost unnoticeably and grows gradually, but lasts a long time. Brands are the same as plants and animals. The ones that grow up the fastest also tend to die the youngest.

You cannot force growth on a brand, but that does not mean you cannot do things to help it grow. You can. But you have to do the right things and do things right. These are two simple concepts too many companies find hard to understand and follow. It is worth repeating: For a brand to grow, you must do the right things and do things right. And you must do both. If you do one but not the other, it will not work. If you do all the right things – play by the rules of branding, differentiate your brand, hire good people to work in the company – but do not do these things right, you will not be as successful. If you do the wrong things well, you will not be successful either.

To illustrate their importance, I will include one of the examples I like to use in my branding workshops. Imagine you are in a boat. You find water in the boat and its level is rising fast. What do you do? You pump the water out of the boat. You can pump very fast, so you are doing things right. But will you be successful in saving the boat? Maybe for a short while. The boat will eventually sink because even though you are doing things right, you are not doing the right thing. The right thing would be to find and plug the leak while you are pumping out the water. You have to do both things and do them well. They go hand-in-hand: Do the right things and do things right.

When running a business, there are many things you need to have. However, the one thing you absolutely cannot do without is a strong brand. Only with a strong brand can you repel the attacks launched by your competitors and enjoy strong sales and profit growth in the long run. Without it, you will not last very long in today's hypercompetitive marketplace unless you are willing to sell cheap. Then again, even with a really attractive price, you might not be able to survive. You need to build a strong brand, which is something you can't do around a lousy name. You can do everything right in terms of branding, marketing, quality, service and staff, but if you have a lousy brand name, you will still fail. The name of your brand is usually the first thing customers see, and if you have a lousy name, you create a lousy impression.

Imagine if I came knocking on your door and introduced myself as a branding specialist from a company called Sum Ting Wong Brand Consultants. What would you think? You might think there is *something wrong* with the company since it has a name like Sum Ting Wong! Would you trust me to help you with your branding project? Probably not, unless you have a death wish. A name like Sum Ting Wong Brand Consultants would create the perception that we are lousy brand consultants since we can't even get our own name right! It would give the idea that no matter what the brand is that we help create, it would have something wrong with it somehow.

In branding, perception is reality. A lousy name creates the perception that you are lousy.

A GREAT NAME IS HALF THE BATTLE WON

The journey of a thousand miles begins with one step. It helps if that first step is a good one. If, to begin with, you step onto a sharp nail, it will be hard for you to take a second step, let alone walk a thousand miles. Having a great name is

a good first step. It is half the battle won. The thing is, the name is probably one of the most important branding decisions you will ever have to make.

In the long run, your brand is nothing more than a name. Why? Because of hypercompetition. In the short run, you can come up with a great idea or a great concept that will make you successful. But because of the hypercompetitive nature of the business world, whatever it is you are doing now can – and will – be copied by your competitors eventually. In many cases, it will only take a few months for competitors to copy you without infringing on your patents or other intellectual property rights. They might even be able to do it better and cheaper. That is the scary result of hypercompetition. Everybody is trying to get into everybody else's business. As a result, you will not have that unique idea or concept to differentiate you in the long run. What separates one brand from another is nothing more than the name.

When it started, FedEx had a near-monopoly on overnight deliveries. It was a unique idea that differentiated FedEx and made it easy for FedEx to sell its service to businesses. If you had an important letter or parcel to be delivered and you needed it there the next day, FedEx was the choice. So, FedEx grew into a multi-billion-dollar corporation. These days, overnight deliveries are no longer unique to FedEx. Its competitors have caught up. Companies like UPS, DHL and TNT also offer overnight deliveries that are as good, if not better. I have tried them all and there is not an appreciable difference in quality, service or price. The only difference is in the brand. And the brand is represented by the name. FedEx has the best name by far. UPS, DHL and TNT all use acronyms that can stand for anything or nothing. What's more, their names are not highly differentiated from each other. FedEx, on the other hand, is a proper name; it rolls off the tongue easily, shortened as it is – aptly – from “Federal Express”. It sounds good and looks even better.

Likewise, PlayStation was the only gaming console that was hyper-realistic, thanks to its extremely powerful 64-bit microprocessor. That was way back in time. Today, the Xbox and the Wii match the PlayStation in terms of computing power. When I compared the PlayStation and the Xbox, I could not see much of a difference. But PlayStation is the powerhouse brand in gaming consoles partly due to its fantastic brand name – it is unique and entirely appropriate. Xbox is not bad as a name but PlayStation is superior. In the long run, due to hypercompetition, PlayStation's competitors will be able to match whatever it can do. What will remain to set it apart is nothing more than its name.

In the beginning, Xerox was the only automatic plain paper photocopier. The competition was still in thermal mode, which was poor in quality and resolution, as well as hard to handle because thermal paper had the tendency to curl. It was easy to sell a Xerox then. But now, all photocopiers are of the automatic plain paper type. What differentiates Xerox from its competitors like Canon, Toshiba, Konica Minolta and Ricoh is nothing more than its name. The category has matured. The technology has matured. The quality gap has narrowed so much that it does not make much of a difference which brand you choose. But Xerox still has the more superior name. I am not too crazy about the recently redesigned Xerox logo, however. It looks bland and uninspiring. But the name is still the best in the business.

Otis was once the only elevator and escalator company. Its founder, Elisha Graves Otis, invented the elevator and the escalator. Being first with a unique idea gave Otis an advantage. Today, it has many competitors who are as good, if not better. What differentiates it from the likes of Fujitec, Schindler, Toshiba and Mitsubishi is its name. It is not the best of names but compared to the rest, it is still a winner because the company is highly focussed and the name has become synonymous with elevators and escalators.

Once upon a time, Starbucks was the only gourmet coffee chain around, selling coffee for US\$3 a cup when everyone else was selling a cuppa at 90 cents. Today, every coffee chain sells gourmet coffee. In fact, "gourmet" has become so mass market that even Starbucks' most expensive coffee does not look all that costly. Other chains like TCC and Coffee Club sell coffee that costs two-and-a-half times more. Incredible. And then there is the ultra premium *kopi luwak*, in which the coffee beans are first eaten by the civet cat, then collected when passed out along with the faeces. I have no idea why anyone would want to drink coffee made from beans that have been through the digestive tract of a cat, but there are people who will pay hundreds of dollars for a pound of that stuff. So, Starbucks is no longer unique. In fact, Starbucks is no longer the best even. But it still chalks up annual revenues in excess of US\$9 billion a year – that is a nine followed by nine zeroes. What separates Starbucks from the pack is its great name and nothing more than that.

Ikea used to be the only furniture brand that had flat-packed furniture. As furniture takes up a lot of space, it is very expensive to store and transport. By using the flat-packed design innovation, Ikea was able to make its furniture cheaper to store and transport, and easier to manufacture and assemble.

This gave Ikea an unfair competitive advantage. Today, however, most furniture manufacturers use the flat-packed design. This has eroded Ikea's unique selling proposition. Its styles have also been copied. But none of its competitors can copy the Ikea name. That is a great name that continues to set Ikea apart.

If you have a great name, the battle is already half won. At the very least, with a great name, you have one less thing to worry about. Business is tough enough without having to deal with a bad name like Sum Ting Wong. Having a bad name is like trying to swim across the Straits of Malacca with a metal ball chained to your ankle. A great name, if nothing else, does not get in the way of your brand building efforts. It does not get in the way of business.

If you want to build a strong brand that can last long after you are gone, you need to do the right things and you need to do things right. Start with the name. It is the warhead on that branding nuclear missile you are going to use to take the fight to your competitors. The first thing people see when they see your brand is the name. The first thing they think of when they think of your brand is the name. That's the first thing that comes to mind! So, it is important to get the name right. You can do everything else right but if you get the name wrong, you can wave your future goodbye.

A GREAT NAME IS EASIER TO GET INTO THE MIND

If you study successful brands, you will find that, more often than not, they are the ones that got into the minds first. The easiest way to get into the mind first is by getting into the market first. But for every first mover success, there is a string of first mover failures. One of the reasons why many first movers fail is, they have lousy names.

A lousy name might not be obvious at first glance; that is why so many companies fail to realise they have lousy names. A name like Sum Ting Wong is clearly a bad name. Krating Daeng – which sounds kind of like “cow dung” – is also a bad name (we will discuss this brand in more detail later). Lifshitz is bad too. And if you had a name like IP Anywhere: “I-Pee-Anywhere”? What a name! I have also come across a brand of tofu sticks called Poo. Would you want to eat something called Poo?

Some bad names are easy to recognise. If you have such a name, do not hang onto it. Change it to a better one even if it is your family name. There are no laws against changing your name – especially your brand name – but do not substitute one bad name for another. We have seen many companies doing

so. Well, they may as well not have changed anything. In an upcoming chapter, we will elaborate on how some companies have unwittingly given themselves a new name worse than the original. What a pity!

Some bad names, however, are not easy to recognise. Xerox is a great brand name and a highly innovative company that has spent billions of dollars at its Palo Alto Research Centre (PARC) over the decades to develop some really innovative products such as the laser printer, the computer mouse, and the Graphical User Interface (GUI) that makes navigating computers so easy these days. Why did Xerox not succeed with any of these products? The laser printer made HP famous, not Xerox. The GUI made Apple famous; the Macintosh has a GUI inspired by Steve Jobs' visit to PARC around 1980. The computer mouse made brands like Logitech famous. Every other brand but Xerox. Why? The answer is simple. Xerox used a really bad name on these products: It used the Xerox name. Xerox is a great name for photocopiers but nothing else.

Kodak invented the digital camera in 1976. Yet, it failed to dominate the digital camera market. The reason: Kodak failed to move fast enough in this area due to an unwillingness to make its highly lucrative photographic film business obsolete. When Kodak eventually launched its digital cameras, it used a bad name: Kodak. Kodak is a great name. It satisfies all the 10 rules of naming, as you will see later. But Kodak is a great name for film and nothing else.

A bad name makes it very hard for your brand to penetrate the mind. For example, a name like Lifshitz would automatically be rejected by the mind as bad, so it would be a non-starter. A line-extended name like Xerox or Kodak would also be rejected as bad when used on products other than photocopiers and photographic film. You need a great name to penetrate the mind and entrench it there. Remember, the name is the warhead on that branding nuclear missile you will use to blast your brand into the mind and blow your competitors into the weeds. So, it has to be a great name.

The Newton was one of the first PDA (personal digital assistant) devices to make it into the market. But the name was not as great as Apple II, Macintosh, iMac, iPod and iTunes. "Newton" brings to mind Isaac Newton, whose *Philosophiæ Naturalis Principia Mathematica*, published in 1687, is considered the most influential book in the history of science.² In it, Isaac Newton described universal gravitation and the three laws of motion. People associate a name like "Newton" with a device that is used for scientific purposes because

² http://en.wikipedia.org/wiki/Isaac_Newton

Isaac Newton was a scientist; the Newton was a consumer device. Isaac Newton has also long been dead and his name will not be suitable for any cutting-edge product.

Toyota is a great brand but Toyota is a name known for reliable, affordable and high quality mass-market cars. Using that same name on a luxury car would be disastrous. So, Toyota created a new name for its luxury cars: Lexus. Lexus is a great name that meets all the 10 rules of naming, and because it is a great name, it has lodged the brand into the consumer mind as the first serious Japanese luxury car that is a credible alternative to the German triumvirate of Mercedes-Benz, BMW and Audi. Over 300,000 Americans buy Lexus annually, making Lexus the top-selling luxury car brand in USA since 2000.

If Toyota had used the Toyota name, its luxury car division would have failed. In fact, Lexus was not the first luxury Japanese car in the USA; that distinction belongs to Acura. But Acura, the upmarket division of Honda, is less successful than Lexus for a few reasons. When Lexus launched in 1989, it went straight to the top and challenged the flagships of Mercedes-Benz and BMW with the V8-powered LS400. Acura made a less focussed effort. And Lexus has a superior name. It sounds more prestigious, more luxurious and more natural. Acura – to me, anyway – sounds like a medical instrument or a watch. The Lexus name played an important role in getting the brand into the mind first, even though it entered the market second. At the same time that Lexus was launched, Nissan also introduced its luxury division, called Infiniti. It made a serious effort, like Toyota did with Lexus, but the name was not as good. It still isn't. It violates some of the rules of naming: It is longer than Lexus' name. It is not unique; there are other brands using the same name. It is a generic word. Sure, it is spelled with an 'i' and not a 'y' but it still sounds like "infinity", which is a generic word.

The automobile industry has given us some bizarre brand names. I learned recently that the new BMW 740i does not have an engine displacement of 4.0 litres as the name suggests. It has a 3.0 litre engine – the same used in the BMW 3-series that took on the 335i moniker. Go figure. My advice to BMW: Stop this madness. Germans are renowned for their logic. Calling a 3.0 litre car a "740i" makes no sense. And what about Kia's new naming convention that has given us models like the cee'd and pro-cee'd. Confused? What's next? Maybe a model called back_cee'd?

However, the industry has also given us some fantastic brand names that are object lessons in how to name a product. Most of them are American. Sure, American car companies are suffering at the moment but Detroit's Big Three have some evergreen models that continue to sell very well and they usually have great names. When you hear of the Ford Mustang, a fast, powerful car comes to mind. And that is what the Mustang – or 'Stang, as its fans call it – is about. The name says it all. Other great names like Chevy Camaro, Chevy Corvette and Dodge Challenger, have also been easily anchored in the consumer mind.

The most well-known brand in construction vehicles (bulldozers, forklifts, dump trucks, excavators, etc) is, arguably, Caterpillar. You might think the name makes no sense. Why "Caterpillar"? Many years ago, the first construction vehicles in America were so big and heavy that they sank into the ground. One company came up with an ingenious solution: Replace the wheels and tyres with tracks. The tracks would help spread out the weight of these vehicles over a much larger area, and moving across rough and sometimes soft ground would be made possible. When the first of these machines was tested, someone remarked that it looked like a caterpillar because of its tracks. The name stuck. Caterpillar became the name of the company. Clients understood it, and the brand grew to be the No. 1 brand in construction vehicles.

If you have a great name, you have a better chance of getting into the mind first even though you are not the first in the market. The mind is where the battlefield of branding is. It is where the branding war is won or lost. So, get the name right!

THE TEST OF SUBSTITUTION

The rule of thumb is that if you have a new product or create a new category, you need a new brand and, therefore, a new brand name to go along with it. Using an existing brand name – no matter how successful that might be – on a new product or category is not the right way to go. The best way to test this theory is The Test Of Substitution. Simply ask yourself: "If I were not working in this company, would I still buy a product with this name? Or would I buy the competitors'?"

I had a spirited discussion with a large American computer company not too long ago. This company insisted that since it was a strong global brand,

it would be alright for its brand to be used on all its products; people would still buy. I told them it was not okay: New products that use the line-extended brand name do not do well; the figures are clear for the world to see. They kept insisting it was okay. So, out of frustration, I asked them to quit their jobs, go work somewhere else and see if they would still buy these products or if they would buy from someone else. The room fell silent. Point made. You have to put yourself in your customers' shoes.

Let me give you a few examples. Colgate is a strong brand. It is known for toothpaste. What kind? The all-round-protection kind. But Colgate also makes toothbrushes, both manual and electric. Would you buy a Colgate toothbrush? A lot of you would say, "Of course! I am using a Colgate toothbrush and I have no complaints." A Colgate toothbrush is generally much cheaper than an Oral-B. If Colgate were to price its toothbrushes at the same level as Oral-B, would you still buy one over an Oral-B? The answer is likely to be a resounding, "No." Likewise, if Oral-B decided to make sensitive teeth toothpaste and branded it as Oral-B, would you buy it if it were the same price as Sensodyne? Not a chance.

Do the same test with your own brand. If you use your current brand name on a new product and price it the same as your more established competitors, would people buy? That will give you the answer you are looking for. This is the acid test. If the answer is yes, go ahead. If the answer is no, find a new name, as Toyota did with Lexus.

In a nutshell

A strong brand is an important asset – probably the most important you can have – because the brand drives everything else in your company. You need to build a strong brand. Yet, even if you do everything right, you will still fail to build a strong brand if you have a lousy name.

The name is the face of the brand. Without a great name, you do not have something to wrap around your brand and your brand-building efforts. Your branding nuclear missile would be without a warhead. A great name is half the battle won because in the long run, your brand will be reduced to nothing more than a name. When a category matures, the players in that category will gradually become evenly matched for innovation, performance and quality. When that happens, what differentiates the brand is just the name.

Whatever you have right now that can give your brand an unfair competitive advantage can – and will – be copied by your competitors. In many cases, it can be as soon as within six months, with the pace of technological advances and hypercompetition. But they can't copy your name. Well, they can try but you can always sue the pants off them.

A great name makes it easier for you to get the brand into the customers' minds. The mind is bombarded with so many brands that it has to be selective about who it allows in. If you have a great name, the job of getting in is much easier.

CHAPTER 04

**Rule No. 1 –
The Name Must Be
Easy To Pronounce**

THIS is such a no-brainer that it is amazing why so many people still make mistakes like creating names that are hard to pronounce.

In *Killer Differentiators*, I talked about how a brand needs to be differentiated if it wants to stand a chance of winning in the battlefield of branding, which lies in the minds of customers. It is not that hard to be different actually, but to build a strong brand you need to be different with a great idea, not a stupid one.

If you look at the bizarre and sometimes unpronounceable names people give themselves or their children, you will understand how easy it is to be different but with a dumb idea. Well, I am not against people being free to choose what to call themselves or their kids; that is their prerogative. However, if you want to build a strong brand, you must have a great name and the first step is to ensure it is easy to pronounce. It is such a common sense thing that I am surprised many companies still get it wrong – not just Singaporean companies but Western ones too. It seems to me that the name is not very high on the priority list of many companies. The prevailing attitude is that any name would do.

When I speak to companies and ask how their names came about, many bosses are unable to provide an answer. Most tell me they are serious about getting the quality of their products right. They are focussed on R&D, testing and quality control. They are also busy training their staff, building up distribution networks in various countries, plus training and motivating their distributors and channel managers. Meanwhile, they are working hard to create customer value and getting the marketing mix correct so that the brand has a better chance of success. All this makes it even more incredible that they do not spend the time to get their names right. No one ever carries out enough testing on its name to ensure it is easy to pronounce. That is why so many have ended with names that are virtually unpronounceable.

Just because this is such a common sense thing does not mean it is an easy thing. Getting the name to roll off the tongue like butter off the back of

a hot knife is not an easy thing to do. It is as much an art as it is a science. But you need to get it right or you will end up like the company cited below.

In 2004, branding guru Al Ries wrote an article in *Advertising Age* entitled, “The Power Of The Name”, in which he talked about how people often blame brand failures on everything but the most obvious of things – a bad name.³ Ries quoted the example of Schlotzsky’s Deli, a 513-unit sandwich chain that had filed for Chapter 11 bankruptcy protection. What was the reason for its failure? Many possibilities were given, including intense competition from other fast food operators, a stale menu, poor operating procedures, not enough advertising, so on and so forth.

But what was the real reason? Ries wrote that it was simply due to the company having a name that people could not pronounce. I totally agree. Think about it. Schlotzsky’s Deli? How many of you can say this name properly 10 out of 10 times? Even if you could pronounce it, you probably couldn’t spell it. Now, if presented with the option of eating at Schlotzsky’s Deli or O’Brien’s Deli, which would you choose? You would probably go to the one with the name you could manage. Even if Schlotzsky’s Deli had managed to fix all its problems and become very competitive, there would still have been a high chance it would not have done well if it did not get rid of that tongue-twisting name.

YOU WORK HARD TO MAKE IT EASY TO BUY FROM YOU

Your brand is surrounded by sharks. Just take a look around. Hungry competitors are circling you, watching your every move and waiting for you to make a mistake so that they can snap at you and swim away with your customers. Unfortunately for you, we live in the age of hypercompetition where everybody is trying to get into everybody else’s business. Any given product or service category is overcrowded; too many players are fighting for the same slice of pie. That would be alright if the pie is growing as fast as the number of competitors but most pies are not.

You have no choice but to work very hard to make it easy for customers to buy from you, and that is what most businesses do. When we observe companies, we are often in awe of the amount of time, money, manpower and effort they put in to make it easy for customers to buy from them. They pore over every aspect of the business to fine-tune their sales offerings. I am sure you do the same. After all, why would you want to make a purchase difficult?

³ <http://www.ries.com/articles-adage.php>

In fact, you remove every obstacle that might stop your customers from parting with their money.

The credit card industry offers great insight into the lengths companies will go to get a sale. This is, again, an overcrowded sector with many players. We are not just talking Visa versus MasterCard versus American Express. There are banks that issue credit cards. Just pop into any bank to survey the slew of different types and you will be amazed. I went to DBS Bank's website on 14 November 2008 to take a look and guess what I found? DBS Bank had 16 different types of credit card on offer:⁴

- 1 Live Fresh DBS Visa Platinum Card
- 2 DBS Air Asia Credit Card
- 3 DBS Altitude American Express Card
- 4 DBS American Express Credit Card
- 5 DBS Black Card
- 6 DBS Esso MasterCard
- 7 DBS NUS Alumni Credit Card
- 8 DBS NUSS Visa Platinum Card
- 9 DBS Platinum Card
- 10 DBS SAAB Visa Platinum Card
- 11 DBS Visa/MasterCard
- 12 DBS Woman's Card
- 13 BHG Visa Platinum Card
- 14 CapitaCard Visa Platinum Credit Card
- 15 Takashimaya Platinum American Express
- 16 Takashimaya Visa Card

And this was just DBS Bank. It made me wonder about other banks. With so many credit cards on the market, how does each one survive? They have little alternative but to make it easier and easier for their customers to use their cards. There are attractive loyalty programmes in which accumulated points can be redeemed for gifts; discounts for using a particular credit card at certain places; low annual fees or none at all.

There are also many credit cards offering zero interest rate instalment plans when you use them, just to encourage consumer spending. And what do you

⁴ <http://www.dbs.com/sg/personal/cards/>

know? It has worked. When my air-conditioning unit finally gave up the ghost after eight years of hard labour, I thought I would just replace it with the same type of basic unit, but because the electrical store I went to had tied up with a credit card to offer zero interest instalment payments over 12, 24 or 36 months, I ended up buying a high-end model with inverter technology that cost two-and-half times more than the basic model.

Maybe I am just another gullible customer but the point of the story is that the hypercompetitive nature of the business world today is forcing companies to come up with more innovative ways than ever to make it easy for customers to part with their money. The bottom line is that you *do* have to work very hard to make it easy for customers to buy from you. You have to identify the roadblocks that stand between your customers walking away empty-handed and them walking away with your product in hand, and remove them.

The most successful companies in the world have always made it incredibly easy for their customers to say “yes” to them. In the book, *New Ideas From Dead CEOs*, author Todd Buchholz has written that when Thomas Watson Sr was the CEO of IBM, he trained his salespeople to be very versatile. They were like the proverbial one-stop shop for IBM customers. These salespeople could analyse the clients’ needs accurately, make the right recommendations (not necessarily the most expensive ones) and install the equipment. Because of that, it was easy for companies to say “yes” to buying an IBM machine even though it cost more, and IBM became a multi-billion dollar behemoth.

Estée Lauder trained her salespeople not to ask, “May I help you?” Instead, they were to say, “I have the perfect product for your skin. May I show you how to apply it?” Lauder also realised that even rich people like freebies. So, she came up with the ‘A Gift With Every Purchase’ strategy to make it harder for customers to say “no”. And she did not give away outdated or unpopular products either – something many companies are prone to doing. To this day, her company always gives away the best products as gifts. This is a great way to make customers buy more, because once they have tried those free gifts and found them to be good, they will keep coming back for more.

IBM and Estée Lauder pioneered techniques of making it as easy as possible for customers to buy from them. The last thing a company wants is to make things complicated, especially in this day and age, when the typical customer is busy and has many options to choose from. Think about it: How many times

have you given up on buying a product because it was just too much of a hassle? Except for one-of-a-kind items, these days if you do not buy a product from Brand A, you can always buy from B or C or D or Z. The problem is not a scarcity of choice but the proliferation, such that people are unable to make purchase decisions. I have friends who agonise over what car to buy, what tennis racket to get, what jogging shoes to purchase – because there are so many choices available!

DO NOT THROW IT AWAY WITH AN UNPRONOUNCEABLE NAME

Let us go back to the example of Schlotzsky's Deli. I truly believe it tried its best to make its products and outlets attractive. I am also confident its company executives spent sleepless nights trying to create ways to make it easy for customers to buy from them. As far as I am concerned, all these efforts came to nought, with the difficult-to-pronounce name. Even if the company had gotten everything right, its business would still have suffered. Look at it another way: Unless Schlotzsky's Deli had a sandwich that was so tasty that even people with damaged taste buds could tell it apart from another deli's sandwich, not many people would have even bothered learning how to pronounce the name.

If people cannot pronounce your name, why would they buy from you? Because you are better? You stand for quality? Because you provide great service? You value your people? Because your customers are No. 1 as far as you are concerned? These are not reasons to buy from you. They are merely reasons to consider you, because all these have now become the price of entry into this playing field we call the marketplace. It is the minimum standard you have to meet to be invited to the party.

Not convinced? Let us turn things around and see how you would behave as a customer. When you go out and buy things – whether for personal consumption or business use – you would expect even the cheapest product to have good quality. That cheap brand of photocopy paper should not jam up the photocopier. There should be good service even from low-cost suppliers. And you would expect to be served by competent, if not world-class, people. That's the way you behave when you buy. What makes you think your customers are any different?

You might think that if you have a superior offering, it does not really matter if people can pronounce the name or not. People will beat a path to your door regardless of what you name your product or service. Maybe you are right but

your competitors are not stupid or lazy. Like you, they would have focussed on quality, service and people as well. They would also have shouted that same message to the customers.

Thanks to the wonders of modern technology and modern production techniques, your competitors can do what you can do, and do it better and cheaper. You may not want to think so but that is the reality of the hypercompetitive market.

If you are pitched into a market where there is parity in terms of overall quality, service and people, who wins the sale? I do not really know. There are many variables that determine the outcome of a branding war, but I can tell you for sure which brand will not win, and that is the brand with a name people cannot pronounce.

PERCEPTION IS REALITY

In *Transforming Your Business Into A Brand*, I wrote about the 10 Rules Of Branding that all strong brands are built on. Rule No. 1 states that “Perception Is Reality” because in branding, what matters is not what you say your brand is but what other people perceive your brand to be. Therefore, you want to create the perception that your brand is good.

Now, take a look at some of the products you think are good – painkillers, for example. If you have a headache, what do you take? Probably Panadol, or, if you are in the United States, Tylenol. Are you a doctor or a pharmacist? Most likely not. I do not think many doctors (of the medical variety) or pharmacists would read this book. So, how do you know Panadol is good? You do not. But you *perceive* Panadol to be good and that is why you take it for your headache. Perception is reality in branding. It is not enough that your brand is good at what it does. You have to create the *perception* that you are good. There’s more on how Panadol and Tylenol did such a good job in *Killer Differentiators*. For now, let us focus on the perception issue.

The sentence below is adapted from a famous saying. What does it say?

THEPENISMIGHTIERTHANTHESWORD

This sentence can actually be read two ways. The first is: “The Pen Is Mightier Than The Sword”. That is the way the author intended it to be read. The second should be left to your imagination. After all, this is a book on business, not biology.

It really does not matter what I say the sentence is. All that matters is what you perceive the sentence to be saying. Branding works the same way. You can advertise your brand as one thing until your bank account runs dry, but if people still perceive your brand as something else, that is what it is. Many companies fail to understand this reality.

Some of my former colleagues have told me that this whole situation is wrong and marketers are to blame. They manipulate things in such a way that a brand with better quality and a lower price might not be as successful because an inferior competitor is better at creating positive perceptions. Well, I agree that this is not entirely fair. I have come across many Singapore brands that are better and cheaper but which still fail against competitors with savvier branding strategies. This is the way the marketplace is. You either play according to the rules or you get out (or get forced out). As Lee Iacocca (he of Chrysler fame) has said, "In this business, you either lead, follow or get out of the way."

I have always maintained that good quality, good service and good people are absolutely critical components of brand building. You can't build a brand based on smoke and mirrors. Furthermore, these three basic building blocks are things your customers expect you to have. To use a Singaporean phrase, these are the things you "die die also must have". Having said that, the more important thing is creating the perception that you have good quality, good service and good people. You need to do everything in your power to make sure anything that gets in the way of creating a positive perception is removed.

A name that is difficult to pronounce definitely ranks very high on the list of things that can get in the way of creating a positive perception. If you have a name that is hard to pronounce, people will think all kinds of negative things about you. They might think you are a difficult company to work with. They might perceive that your products or services are as difficult to use as your name is to pronounce! Worst of all, they might get the impression that since you can't even create a name that is pronounceable, you can't be too smart as a company.

Perception is reality. And a hard-to-pronounce name creates a bad perception – just like Schlotzsky's Deli. I came across a deli in my hometown of Ipoh once, called Dave's Deli. I do not know if the food was better than Schlotzsky's, but at least I could pronounce the name! Ipoh is a place where Western food usually does not thrive, as the majority of the population still prefers the local fare. Nonetheless, Dave's Deli is still around. What does that tell you?

DO NOT MAKE YOUR CUSTOMERS FEEL STUPID

A name that is hard to pronounce can make your customers feel stupid. If you make them feel stupid, they won't buy from you. Why should they? There are so many options for them to choose from. Your brand is just one.

It's bad enough that they don't buy from you. Customers these days are vocal too – especially the Generation Y customer. Generation Y is defined as the group born between 1980 and 1994.⁵ At the Singapore Brand Conference 2008, Ray Bigger, a renowned sales trainer, spoke on the Generation Y customer of today and noted that they are prone to expressing their opinions using the multitude of media channels now available, such as blogs, social networking sites, instant messaging, online forums, chat rooms, etc. If they feel you have a lousy name, they might very well just let the whole world know.

But the point here is not about Generation Y customers being more opinionated or difficult. The point is about the repercussions of making your customer feel stupid. Having a name that is very difficult to pronounce is a great way. If customers struggle to pronounce your name, they will feel frustrated – frustrated that they are too stupid to pronounce the name, then frustrated that you made them look stupid. As a result, they might choose to buy from your competitor with the simpler name. The days when customers buy something because you keep telling them that your product is good are long gone, and those days are not coming back. Again, put yourself in the shoes of your customers. If a brand makes you feel stupid, would you part with your hard-earned money for it – whether it is for personal or company use? Probably not.

Some brands are based on the names of their founders – Ernst & Young, Drew & Napier, Allen & Gledhill, Lee & Lee, Rajah & Tann, Dell, Schwab, Disney, Ferrari, Lamborghini, Porsche, to name a few. That is alright if the name is easy to pronounce. When I spoke at the Singapore-Romanian Business Exchange Seminar in late 2007, I was having a hard time pronouncing the Romanian delegates' names. I made a lot of friends but recognised that if those difficult Romanian names were used on brands being exported to international markets, those brands would probably have a hard time finding friends.

Not all Romanian names are hard to pronounce, however. There are some that are easy and that sound quite exotic at the same time, but I would advise Romanian companies to avoid using last names such as Voiculescu, Mihalache, Codreanu, Constantinescu, Baboescu, Dumitrescu, Ianculescu,

⁵ http://en.wikipedia.org/wiki/Generation_Y

Kogalniceanu, Lixandriou, Mandruleanu, Simeonescu and Vladimirescu. Even a short and seemingly simple name like Vlas could prove a tongue-twister.

There is a show on TV entitled *Are You Smarter Than A Fifth Grader?* Which is quite entertaining. It makes adult contestants answer questions normally asked of fifth graders in the United States (the equivalent of the Primary 5 students in Singapore). There are also five 10-year-old kids on the show the contestant can pick to help him or her with the answers.

Once a question is asked, the contestant and the five kids write their answers down and their answers are revealed. If the contestant gets it right, he or she advances up the ladder and accumulates money – up to US\$1 million. It is fun to watch, partly because many of the adults look so unsure of themselves and the kids usually get the answers correct. I do not know about you but I would not mind looking foolish on national TV (and asking 10-year-olds to help answer the questions) to win a million dollars! However, in the real world, your customers probably would not appreciate being made to look stupid. So, do not make them feel that way by slapping an unpronounceable name onto your brand.

WOULD THEY BE AS SUCCESSFUL OTHERWISE?

When you look at a successful actor or singer, chances are this person has a name that is quite easy to pronounce. These things do not happen by chance. Of all the people in the world, those who are trying to make it big in Hollywood or the American music industry understand the importance of having a great name. The entertainment industry is as hypercompetitive as it gets. Besides needing the skills and the looks, you also need a name people can pronounce easily.

In the United States, you need to be represented by an agent if you want to make it in the entertainment industry. Aspiring actors and actresses have very little time to make an impression on agents. If they are further disadvantaged by a difficult name, they might not make an impression at all. Many celebrities who had difficult names actually changed them before they launched their careers.

Take a look at some of these examples.⁶ Would these celebrities have been as successful if they had kept their original names? Well, they are very talented so they might have had a chance, but by changing their names, I believe they did something to help speed up their climb to the top.

⁶ <http://www.changednames.com>

1. Jennifer Linn Anastassakis

She is one of the six stars of the hit sitcom *Friends*. She is beautiful and talented, and although I have heard many people say her success is largely due to her hairstyle, I beg to differ. I think it was Jennifer who made the hairstyle popular, not the other way around. I also believe her climb to the top was aided by a change of name. Instead of using the tongue-twister surname she was born with, Jennifer Linn Anastassakis changed her name to Jennifer Aniston. Great move, Jennifer!

2. Thomas Mapother Cruise IV

Thomas Mapother Cruise The Fourth? That name conjures up images of Napoleon Bonaparte and the Battle of Waterloo rather than that of a handsome Hollywood actor with a megawatt smile that leaves girls all over the world swooning. So, Thomas Mapother Cruise The Fourth changed his name to Tom Cruise, which is not just easier to pronounce but sexier as well. Tom Cruise is an A-list Hollywood celebrity. I have heard it said that he is too good-looking to be taken seriously as an actor but regardless of what you think, you can't deny the fact that he is super successful – aided no doubt by a name that is easy to pronounce.

3. Norma Jean Mortensen

She is probably the greatest sex symbol Hollywood has ever produced. Some of you guys who are old enough probably had her poster pinned up on your bedroom wall when you were growing up. Some of you ladies probably wish you had her looks, figure and sex appeal. To become the greatest sex symbol of her time required the complete package, and that meant a name that fit the persona. "Norma Jean Mortensen" just did not cut it. To me, it sounds like the very ordinary name of a very ordinary American housewife. It is not difficult to pronounce, although the last name sounds a bit hard-edged. So, Norma Jean Mortensen transformed herself into Marilyn Monroe. The rest, as we know, is show biz history.

4. Reginald Kenneth Dwight

Every time Wilson sees this name, he goes, "How do you pronounce the last name again?" Well, Dwight is not exactly unpronounceable but it is a

name that can be improved on. Reginald Kenneth Dwight is a very talented musician, singer and songwriter. Over his career, which has spanned decades, he has produced many hit songs and he is still going strong. But as mentioned, the name could be easier to pronounce. Reginald Kenneth Dwight must have felt the same way, for he changed his name a long time ago to Elton John. To quote the lyrics of 'Sacrifice', a song of his I like very much, changing the name was "no sacrifice at all".

5. Joyce Penelope Wilhelmina Frankenberg

Joyce Penelope Wilhelmina Frankenberg, born in England, is the actress who starred in the 1973 James Bond movie *Live And Let Die* as Solitaire, the fortune-teller working for the villain Mr. Big. Interesting story line. Solitaire would lose her powers if she lost her virginity. Bond being Bond, he had to have sex with her. When she lost her powers, Mr. Big decided to kill her, and that was when Bond came to her rescue. Joyce Penelope Wilhelmina Frankenberg later went on to star in the TV series *Dr Quinn, Medicine Woman*. Before all that happened, she had changed her name to Jane Seymour.

6. Sealhenry Olusegun Olumide Adeola Samuel

Not only is his name long, it is a mouthful. Seal Henry Olusegun Olumide Adeola Samuel, born on 19 February 1963 in Paddington, London, is a British soul singer and songwriter with Nigerian, Brazilian and Afro-Caribbean roots. Known for his numerous international hits and his marriage to supermodel Heidi Klum, he did the right thing by shortening his name to Seal. Phew!

7. Edda Kathleen van Heemstra Hepburn-Ruston

You probably have guessed what this superstar actress changed her name to. If you guessed Audrey Hepburn, you guessed right. But difficult as this name is to pronounce, I think the next name takes the cake for being a truly difficult original celebrity name.

8. Georgios Kyriacos Panayiotou

This is a Greek name I am still struggling to pronounce and, as such, think it is a good thing this singer changed his name to George Michael before

his debut. I really think that if he had kept his original name, George Michael would have severely limited his market to just people who could speak Greek. Yes, he is a fantastic singer but in a crowded marketplace, would Georgios Kyriacos Panayiotou have stuck in your mind? Probably not. Your brand is the same. Sticking the equivalent of Georgios Kyriacos Panayiotou onto your brand would be like trying to swim with two iron weights tied around your ankles.

These are just some examples of celebrities changing their hard-to-pronounce names into easy ones to facilitate their entry into the entertainment industry. There are many more. We could learn valuable lessons from these celebrities and apply them to brand name development.

THE STORY OF SONY CORPORATION

Sony⁷ is one of the world's most successful and admired consumer electronics companies. It led the Japanese consumer electronics revolution in the 1970s by focussing on the all-important elements of innovation and marketing, and for the longest time, had the best of both worlds.

Sony created some of the best-known brands in the consumer electronics industry. The Walkman portable cassette player sold 340 million units during its lifetime, making it the world's most successful portable music player. The red-hot iPod, successful though it is, still has some way to go before it catches up. Although I am quite certain the iPod will eventually sell more units than the Walkman, the fact remains that the Walkman was a stunning success. The Trinitron cathode ray tube (CRT) is another product that made Sony a household name in TV. And we should not forget what could become the single-most profitable product in Sony history: the PlayStation, which is still the leading gaming console in the world despite threatening moves by Nintendo and Microsoft's Xbox.

The new millennium situation is a bit different. Although Sony is still a leading brand in consumer electronics, life is much harder now as competitors like Samsung Electronics have caught up through huge investments in design and innovation. But Sony is still a force to be reckoned with. In 2007, Sony's group turnover was US\$70.3 billion – tremendous, by any yardstick.

⁷ http://en.wikipedia.org/wiki/Tokyo_Tsushin_Kogyo

The History Of Sony

Sony started its life after World War II, in 1945, when an enterprising young man by the name of Masaru Ibuka opened a radio repair shop in a bomb-damaged building in Tokyo. A year later, Ibuka was joined by a former colleague of his, Akio Morita, and together they started a company called Tokyo Tsushin Kogyo. Translated into English, the name was Tokyo Telecommunications Engineering Corporation. Tokyo Tsushin Kogyo built Japan's first tape recorder, which was called the Type G.

Encouraged by this success, Ibuka went to the United States to look for new ideas that could take the company to greater heights. It was there that he heard about Bell Laboratories' amazing invention, the transistor. This was in the early 1950s, so the transistor must have looked like space-age technology. Most American companies were looking at military applications for the tiny transistor, but Ibuka wanted it to build radios for the consumer market. He managed to convince Bell Laboratories to licence the technology to his company, and although Regency and Texas Instruments from the United States were the two companies that were the first to build the transistor radio, Tokyo Tsushin Kogyo was the first to commercialise it.

In 1955, Tokyo Tsushin Kogyo launched the TR-55, Japan's first commercially produced transistor radio. It was quickly followed by the greatly improved TR-72, which formed the backbone of the company's export drive. The TR-72 found success in Canada, Australia, the Netherlands and Germany.

The Evolution Of The Sony Name

The ambitious founders of Tokyo Tsushin Kogyo wanted to conquer the world with their products, and the biggest market for consumer electronics was the United States. To realise their dreams, therefore, Tokyo Tsushin Kogyo had to make it big in the United States. This is where the company ran into serious trouble, as Morita discovered that the company's name was a difficult one for Americans to pronounce. Well, the Americans were not alone. Many other non-Japanese struggled with the name as well. This called for a drastic re-branding of Japan's No. 1 consumer electronics company.

Ibuka and Morita were considering using Tokyo Tsushin Kogyo's initials of TTK as a way to simplify the name but by a stroke of really good fortune, they could not as the railway company Tokyo Kyuko was also known as TTK. It would have been quite disastrous for Sony if they had used TTK, for reasons I will discuss in Rule No. 7 (*Chapter 10, page 196*).

The next thing the company considered was a contraction of Tokyo Tsushin Kogyo. They shortened the name to Totsuko. Much better than TTK, but again, Morita found out that Totsuko was also a difficult name for Americans to pronounce. It became clear to him that his company needed a name that was more Anglicised if it was to be easy for Americans – and the rest of the world – to pronounce.

The next thing Tokyo Tsushin Kogyo tried was Tokyo Teletech. The good thing about that name was that Americans could pronounce it easily. The bad thing was that there was already an American company using Teletech as a brand name. So, that had to be thrown out. Tokyo Tsushin Kogyo's search for a name was looking like it was going to be a long and difficult one.

I am not sure of the exact number of names that was tried and tested before the company arrived at Sony, but I can tell you how that came about. To get the right name, the company had to combine words from two Western languages. The word "Sony" was derived from the Latin "*sonus*", which means "sound", and the English "sunny", which means "bright". This was a brilliant idea. Not only was it easy to pronounce, it was an intelligent name as well. It was also a word that did not exist in any language – something Morita had pushed for, because he wanted a word they could claim was their own. When a candy producer copied the name, Sony sued. The candy maker's defence was that "sony" was an existing word in some language, but the court found that to be a false claim and Sony won. It is a good idea to create a name that no one else in the world has so you can easily make it your own.

Tokyo Tsushin Kogyo changed its name to Sony in 1958. It was not a smooth transition, because it was rare for a Japanese company to use Roman letters instead of Kanji at the time. Japan being such a homogenous society, the move was strongly opposed by Mitsui Bank, the company's principal bank. Mitsui wanted a name such as Sony Electronic Industries or Sony Teletech to reflect the nature of the company's business, but Morita would have none of that. He wanted a name that would not tie the company down to a particular industry so that he could make the brand stand for what he wanted it to stand for. This was, yet again, a brilliant move. As I have often said, a brand needs to be linked to a powerful idea and brand names that do not mean anything – such as Sony (or Kodak, Xerox, Google, etc) – are easier to link to an idea. More on this later.

Eventually, both Ibuka and Mitsui Bank's chairman gave their approval, and the Sony brand was born. If Sony had stuck to its original, extremely

difficult-to-pronounce name, I believe the company would not have been as successful. After all, if people had found themselves unable to pronounce the brand name, they would simply have bought something else.

WE WERE GUILTY OF IT TOO

Wilson, who is CEO of StrategiCom, the firm I now work for, and I have a confession to make. As Principal Consultants of StrategiCom, we have taken a lot of flak and good-natured ribbing from our clients (and potential clients) for picking a name they find difficult to pronounce. The name actually came from a contraction of the words “strategic” and “communications”. The firm started in 2003 as StrategiCom Asia Pte Ltd, but before I joined in 2007, we had a discussion about the name and decided to drop “Asia” as we have offices outside the region. Doing so also allowed us to change the website address from www.sc-asia.com to www.strategicom.com – an important move I will discuss in Rule No. 9 (*Chapter 12, page 246*).

However, there remained many problems with the name. How do you pronounce it? Some StrategiCom consultants at the time called it “Stra-Tea-Gee-Com” and some called it “Strategy-Com”. We had to standardise the pronunciation internally or look like a mess to the outside world. The latter pronunciation was settled upon after Wilson met with the renowned naming expert Steve Rivkin of Rivkin & Associates at a conference in Chicago. When asked how he would pronounce the name, Rivkin said, “Strategy-Com, of course!”

Prior to joining the firm, I was still having serious doubts about the name. I suspected it would lead to hilarious mistakes in pronunciation – especially with clients whose native language was not English; many of our clients in Asia would fall into that category. However, since both Rivkin and Jack Trout, the man who invented the concept of brand positioning in 1969 and whom Wilson also met at that same conference, thought it was a great name, we decided to give it a shot.

Well, we are happy to say most of our clients have little or no difficulty pronouncing the name correctly. Having said that, we also have to report some hilarious encounters. People have called us “Strategy-Dot-Com”, “Stretch-Com”, “Stretchy-Com”, “Strate-Jai-Com” or “Strategy-Com-Dot-Com”.

What really knocked our socks off was an incident that happened when one of our colleagues went to a large British bank to conduct a Perception

Audit interview with one of its senior executives responsible for buying back-up power generator sets from a client of ours. As our colleague walked in, she informed the receptionist of her name, where she was from and who she was there to see. The receptionist picked up the phone, called the person in question and said, “Hi, there is someone from Tragedy-Com to see you. Yes, Tragedy-Com.”

When I heard about this, I actually said, “You know what, guys? That name could actually become a powerful differentiating idea for us. Imagine this: We change our name to TragedyCom and use a tagline like ‘We Bring Tragedy To Your Competitors’. What do you think?” Attractive as that idea was, everyone in the room knew I was kidding except for one of our consultants who said, “But I thought you said that we should be different with a great idea and not a stupid one. Er ... I do not think this is such a great idea. I don’t know. Maybe I am wrong.” Needless to say, all of us had a good laugh at that meeting.

Jokes aside, we did find that the name posed some difficulty for clients who were not native speakers of English. So, why did we did not change the name? We assessed it objectively and decided that the problem was not a bad one. It affected only a small percentage of our clients and the pronunciation problem could quickly be overcome when the correct way to say it was pointed out.

The more important question – and probably the one that has been on your mind – is, why did we even create such a name in the first place? We have been asked that a number of times. Our usual response is that back in 2003, we did not have the 10 Rules Of Naming to guide us. And we were not as experienced or learned back then. We are better in both respects now. Anyway, part of being a brand consultant – as with any other profession – is making mistakes, learning from them and, above all, using those lessons to benefit our clients.

CAN INNOVATION OVERCOME A DIFFICULT NAME?

Because Sony was so good at the business of innovation, you might argue that they could have gotten away with a difficult name like Tokyo Tsushin Kogyo. Maybe. Maybe not. The thing about innovation is that an innovation becomes outdated rather quickly, thanks to hypercompetition. You need to keep pumping money into your research and development efforts to stay ahead of the competition. Sony did that.

The other thing about innovation is that what you can do, your competitors can do too. Despite having what I feel is the best-sounding name in the

business, Sony has been overtaken by Samsung Electronics. Samsung has invested heavily in innovation and design and come out ahead.

In 2007, Samsung Electronics saw its revenue cross the US\$100 billion mark for the first time in its history.⁸ Sony's revenue was US\$70.3 billion. What does that tell you? Even if you are innovative and have a great brand name, you could still be overtaken by competitors. If Sony had stuck to its original name of Tokyo Tsushin Kogyo, it would likely have made things more difficult than necessary.

Innovation can overcome a difficult name, provided no one can beat you on that score. But in this day and age, you can be sure that the great ideas you come up with can and will be copied by aggressive competitors. It is better to wrap your innovation around a brand name that is easy to pronounce. Innovation is good. Innovation wrapped in a great name is even better.

CAN A LOW PRICE OVERCOME A DIFFICULT NAME?

In the same 2004 *Advertising Age* article I quoted earlier in this chapter, Al Ries also mentioned that people will still buy your product despite a bad name if you sell it cheaply enough. He quoted the example of Hyundai, which is very successful in the United States. In terms of volume, it is among the 10 biggest car brands in the world today. Hyundai has long been famous for value – more car for less money. Its cars have always been packed with lots of features and standard equipment at an affordable price. More recently, Hyundai cars have seen improvement in terms of styling, quality, ride and handling.

I would not say Hyundai is a bad brand name but I think it is a more difficult name to pronounce than Toyota, Nissan, Honda or Mazda because of the way it is spelled. When I first encountered this brand in the late 1980s I had difficulty pronouncing the name. I approached a Korean classmate of mine and he told me the right way to say it was “Hai-Yun-Day”. I thought it was “Hee-Yun-Day” or “Hee-Yun-Die”.

Some time later, while studying in the United States, I asked my classmates why the Americans pronounced it “Han-Day”. I was told it was not always so. Americans found “Hyundai” difficult so the pronunciation evolved to “Han-Day”, which sounds like “Sunday”.

Even so, there is no denying the name is more difficult to pronounce than the other imported cars Hyundai is competing with. But because Hyundai offers

⁸ http://en.wikipedia.org/wiki/Samsung_Electronics

such great value for money and its cars are not so bad that they cannot get the job of driving done, Hyundai has fared quite well and is still doing well.

So, if you have a difficult name and do not want to change it, you must be prepared to offer a very attractive price. There will always be people who will buy the cheapest product regardless of brand, just as there will always be people who will buy the No. 1 brand regardless of price. If you look at any product or service category, you will find that the high end and the low end of the market are usually growing faster than the mid-range. If you can do a Hyundai and offer great value for money, you might be able to get away with a difficult name.

Having said that, you need to bear in mind that even when you can sell cheap, there are a lot of competitors at the low end of the market today. It would pay to have a name that is easy for customers to pronounce.

WHAT MAKES A NAME EASY TO PRONOUNCE?

There are just so many variables that the best thing to do is test the name with your stakeholders, especially your internal stakeholders. They are the ones who will be going out to customers and distributors to represent your brand. Make sure they can pronounce your brand name properly. If you have a brand that has been around for so long that people are familiar with the name and can pronounce it even though it is difficult, you do not have to worry so much.

If you are launching a new brand, it makes sense to test the name. When we were engaged by a well-established Singapore manufacturer of electric cables who wanted to create a brand for a new electric cable category, we developed and tested many names before we settled on five that met most of the rules of naming.

There was one we particularly liked, but it was thrown out when the client presented the selection of names to its staff. For some reason, 60 per cent found the name difficult to pronounce. According to our client, that could have been because most of them were Chinese-educated, and English was their second language. The name eventually selected was made up of a combination of Italian words. What do you know, it was apparently easier than the English-sounding one to pronounce.

The point is, you have to test the name – especially if you are creating a new one.

In a nutshell

The first rule of naming is that the name must be easy to pronounce. Your customers are faced with so many choices that they do not need to buy from you; they can easily get the same products you are selling from any of your competitors. If your customers can't pronounce your name, they will feel stupid or frustrated. When that happens, they will just buy from someone else. You work very hard to make it easy for them to buy from you. Do not throw all that away with a name that is hard to pronounce.

In this day and age, everything else being equal, it is very easy for your competitors to achieve parity (or even superiority) in terms of quality, service and people. The brand with the easier name to pronounce wins. So, test the name to make sure it is easy to pronounce in your key markets. Change it if it is really bad. Otherwise, be prepared to offer a very nice-looking price.

CASE STUDY

Allshores

Allshores Fiduciary Services Pte Ltd started in 2002 as Global Network Business Consultants Pte Ltd. The company provides a wide range of corporate and secretarial services but it is best known for its expertise in the incorporation of offshore companies. You have probably watched enough James Bond movies to have the perception that offshore companies are often used for illegal activities designed to provide funds or weapons for some megalomaniacal villain trying to take over the world or destroy it. Well, as with a lot of Hollywood stuff, this has been exaggerated.

An offshore company has many legitimate uses and plays an important role in improving the efficiency and speed of businesses. What we have learned over the years is that an offshore company can be set up for use in a number of legal, non-James Bond activities, some of which are highlighted below.

1. Estate Planning

You can use an offshore company to hold an investment account that will help minimise the estate duties you have to pay. In the unfortunate event that the owner passes away, his or her named successor can take control of the account and avoid a situation in which the account is frozen.

2. Investment Holdings

An offshore company can also be used as a holding company for investments in other companies, joint ventures, property and financial instruments, among other things. This approach also allows you to maintain confidentiality.

3. International Trading

If you do business with companies from other countries and are located in a country where there is currency control, an offshore company can be used to pay your suppliers or receive payments from your clients who are in other countries.

4. Shipping

One of the most tax efficient methods to own a ship is to structure the ownership of the ship via an offshore company. This includes private yachts or barges. Since these ships usually cost a lot to buy and maintain, it makes sense to minimise the taxes paid on them.

Challenges Faced By The Company

The founder of the company, John Peh, is a firm believer in what Peter Drucker has said about the two basic functions of a business: innovation and marketing. Even when the company was just John Peh and his secretary, he tried very hard to innovate and market Global Network Business Consultants. Given his personal track record as a corporate secretary and his network, the company quickly gained a footing in the market, but it also quickly ran into an invisible brick wall. The company provided good quality, good service and hired good people. It did everything right except brand itself.

Firstly, its name was too long and generic, so the company decided to shorten it to GNBC. That was not a good thing, because GNBC is an acronym, and acronyms can stand for many things or nothing. GNBC also sounds like a TV station. Ever heard of CNBC? Both the original name and the new name were stumbling blocks. The company needed a new and more superior name in a hurry. But the change to Allshores did not happen until 2006, which on hindsight might have lost it some business. The original name, as well as the shortened version were both not memorable or unique, so the company tended to get lost in a sea of competitors with longer histories and track records.

Secondly, this is a highly competitive service industry that is quite commoditised. The service is invisible: You don't see the brand because the brand does not appear on the service. In other service industries – such as hotels – you see a physical representation of the brand in the hotel building. Not in GNBC's case. This created a lot of problems in differentiating the brand. To compound the difficulty, GNBC was a new kid on the block. All these factors combined to create a double whammy: difficulty in acquiring new business, and downward price pressure on the company.

Peh was convinced for years that it was impossible to differentiate a professional services company like his because there weren't that many highly differentiated brands in the sector. Take, as a comparable example, the accounting services category: Is there a difference between one big CPA firm and another? If you haven't been able to respond to the question, that means there isn't much of a difference. So, if you needed to hire one of these big CPA firms, which would you choose? That is easy. You would choose whichever puts the most senior people on your account.

Perception Is Reality

The solution to GNBC's branding challenge was three-pronged. The first thing it did was move its office to a much more prestigious location in Singapore's central business district because it recognised that perception is reality. No matter how good

the company, if it is located in a place that does not say it is prestigious, people might think it is not so good. This is a very real problem many companies have faced. If you make high-end watches and your company is located in Japan, that is not going to do you a lot of good. You have to move to Switzerland. So, GNBC acquired a new address that cost them a lot of money but helped create a stronger brand.

The Naming Solution

After that, the company had to find a new name. I worked closely with Peh on this project. We looked at the kinds of businesses the company was in – mainly, the incorporation of offshore companies. The name had to suggest it was in the business of offshore companies in a subtle and clever way.

Next, we looked at the characteristics of offshore companies and the people who used them. One of the keys was that offshore companies are everywhere. Peh explained, “Every country is, in essence, an offshore location to every other country. So, an offshore company can be located in any country that provides better tax or financial benefits than your country of origin.” Hence, the name also needed to convey the sense that the company could help its clients with offshore incorporation anywhere and everywhere.

Based on these two criteria, I proposed the name Allshores, which is a subtle way of saying, “We will help you with your offshore incorporation needs on all shores.” Although there are a few other companies using this name, we decided to go ahead with it because it is unique in the category Peh is competing in, so that satisfied his requirement. It was also of the ideal length – two syllables; easy to pronounce and highly memorable.

The Differentiation Solution

Having a good name alone is not enough. It has to stand for a powerful differentiating idea. I proposed using “Attribute Ownership”, which is one of the strategies of differentiation outlined in *Killer Differentiators*. Owning an attribute that is important to people needing offshore companies is a powerful way to differentiate the brand. We decided to try and own the attribute *everywhere*, since that ties in beautifully with the new name. Peh and his colleagues – by now he had more than just a secretary – were concerned that they could not deliver on that huge brand promise because they were still among the smaller firms in the industry. How could they claim to be everywhere? While they had valid cause for concern, there were a couple of things working in their favour.

For starters, no one else was claiming to be everywhere! If no one has laid claim to an attribute, you can. And Allshores did: It moved in and established itself as the owner of the attribute, *everywhere*.

Furthermore, this is a company that prides itself on finding ways to deliver on the client's needs. Well, I think it is one of Peh's greatest strengths as well as one of his biggest weaknesses: He doesn't like to tell clients, "It cannot be done." He will find ways (legal ones, of course) to get things done. So, if a client tells him that he needs an offshore company set up in Bangladesh, Peh and his team will fly in to set it up. They will find a way to get it done and done well, even without ever having been to Bangladesh before. This is a true story, by the way. Of course, the client would be suitably impressed and give more business to the firm. Because of this, I felt the company could successfully claim the *everywhere* attribute, as it would kill itself to deliver on that promise.

A tagline was then created to communicate the differentiating idea: "Allshores. Everywhere You Want To Be". As far as I can see, Allshores has been delivering on that brand promise consistently since 2006. Everywhere – anywhere – its clients want to go, Allshores is there to get the job done. Because of the new name, the differentiation strategy and powerful tagline, Allshores has seen its business grow 450 per cent within a very short time, and it is still continuing to grow.

CHAPTER 05

**Rule No. 2 –
The Name Must Be
Easy To Remember**

BENJAMIN Franklin once wrote, “Tell me and I forget. Teach me and I remember. Involve me and I learn.”⁹ Involving your customers is important. They will then want to learn more about your brand. When that happens, a strong link is built. That link makes it hard for your competitors to get in. But to involve your customers, you must first have a name that is easy to remember. Without a memorable name, there will not be any involvement. And you want people to remember you, right? You want people to remember your brand. If they do not, they will remember your competitors’ brands and that is something you never, ever want. You want the opposite. You want to make your competitors forgettable.

Before you can make your competitors forgettable, you have to make your brand memorable. Isn’t that what you try to do every day? You improve your product, your price, your people, your service or your location to make people forget about buying from your competitors. But you will end up sabotaging all your efforts if you slap a forgettable name onto your brand. If your competitors have a name that is easier to remember, you are at a disadvantage.

Coming up with a memorable name can be a challenge. That is why the rules of naming are written in this sequence. For a name to be memorable, it must first be easy to pronounce. But a name that is easy to pronounce may not necessarily be one that is easy to remember. However, it is something that needs to be done or you will have lost half the battle before the first shot is even fired. Later in the chapter, I will give you some pointers on how to make a name memorable. There are two important and sometimes contradictory aspects – the technical and (for want of a better word) the artistic. There are rules, of course, but part of the process is an art. In his book *The Making Of A Name*, Steve Rivkin comments that you sometimes just have to do some daydreaming. You also need to have a stroke of inspiration or genius – of luck, even – to come up with a name that is memorable. The science of naming will get you some of

⁹ <http://thinkexist.com/quotation/>

the way. The rest of the journey will need to be fuelled by creativity – the ‘art’ part of the process.

Before you start making memorable names, we need to revisit the definition of a brand. This is important for the name creation process, because how you set out to build a brand will depend a lot on what your own definition of a brand is. Many business owners have said that, to them, a strong brand is one that has a highly recognisable name or logo. This is not a wrong definition but it is an incomplete one. A brand that has a high level of awareness or recognition may not be a strong brand at all for several reasons.

One, brands can achieve a high degree of recognition and still be weak. A famous brand may not necessarily be a strong brand, although being famous does help. There are many brands in the world that are well-known but weak. In *Transforming Your Business Into A Brand*, I talked about Japanese car brands. Of all the Japanese car brands, the weakest one at one point in time was Mitsubishi, although it was (and still is) a huge company. Then, Mitsubishi was the only Japanese car company losing money. Is Mitsubishi well-known? Of course it is. Is it a strong brand? I would venture to say it is not as strong a brand as Toyota, Honda or Mazda. Hence, a well-known brand may not necessarily be a strong brand.

Likewise, K-Mart in the United States was a brand that struggled in the face of competition from Wal-Mart and Target. In case you are not familiar with these brands, all three are discount retailers similar to Carrefour or Giant in Singapore. Ask American consumers if they have heard of K-Mart, and you will be hard-pressed to find one who has not. Although K-Mart has a high-level of awareness, it is not as strong a brand as Wal-Mart or Target. Again, in this case, being well-known does not equate to being a strong brand.

Making your brand well-known is easy if you have money. All it takes is advertising. But these days, a high level of awareness does not automatically translate into a high level of sales. I will touch on the reason for this in a while, but let us take a look at the second reason why a well-recognised brand may not be a strong brand.

Have you ever heard of Enron? You probably have. It is a famous brand but famous for all the wrong reasons. Enron is the American energy giant that went bankrupt due to fraudulent practices. Besides causing its investors to lose a truckload of money, it also caused the demise of the once-revered accounting firm of Arthur Andersen.

Closer to home in Singapore, you will also find many examples of brands that have become extremely famous but, again, for the wrong reasons. To name two: the National Kidney Foundation and Informatics. These were well-known brands when they fell foul of the law. The point remains: You can become famous for all the wrong reasons.

A BRAND IS JUST AN IDEA THAT EXISTS IN THE MIND

The reason why a brand with high levels of awareness may not be a strong brand has to do with the definition of a brand. I said earlier that how you go about building a brand has a lot to do with what you define a brand to be. So, what makes a brand a brand? Simply this: the ownership of a powerful idea in the minds of customers. That is all a brand is. It does not exist in the real world. It exists in the minds of customers. I would even go as far as to say that if you do not own an idea in the minds of your customers, you do not have a brand to begin with – regardless of how much you spend on advertising.

To find out if a brand is strong, all you have to do is see if it owns a powerful idea in the minds of its customers. Not a hundred ideas. Not 10. One. One powerful idea. If you look at strong brands from both the B2C and B2B sectors, you will find that each owns a single powerful idea in the minds of its customers. Whether global, regional or local, all have this ownership in common. Each of the 20 brands I have listed below are strong brands for this reason:

Table 1: Strong Brands And The Ideas They Own

<i>Brand</i>	<i>Idea</i>
Microsoft	Office software
Oracle	Database software
SAP	ERP software
Intuit	Financial software
Siebel	CRM software
Act!	Contact software
IBM	Mainframe computer
Dell	Computers direct
HP	No. 1 computer

Cray	Supercomputer
Apple	Designer's computer
Silicon Graphics	3D computer
Boeing	Commercial jets
Airbus	Giant jets
Learjet	Business jets
Gulfstream	Premium business jets
Lockheed Martin	Fighter jets
Rolls-Royce Trent	Jet engines
Coca-Cola	The Real Thing
Pepsi	The Young Thing
Dr Pepper	The Spicy Thing
Red Bull	The Energy Drink
Evian	Premium mineral water
Gatorade	The Sports Drink

There are many more examples – both in terms of brands you use at work and at home. You will probably find that each stands for something important in your mind as well.

In case you think I am oversimplifying things, let me assure you that getting your brand to stand for one thing and one thing only is a lot more difficult than trying to make it stand for everything. Try this test I developed when I was the branding manager at IE Singapore, the government agency tasked with helping Singapore companies internationalise successfully. Take a sheet of paper. Describe your brand in 100 words or less. Take another sheet. Describe your brand in 50 words or less. On yet another sheet, describe your brand in 10 words or less. Now try describing it in five words or less on a final sheet of paper. Are you starting to see how difficult it is to own one singular idea? And it cannot be just any idea. It must be an idea that is unique to you – just like the idea of “safety” is unique to Volvo. It is not that no one can make a safer car than Volvo. You just can't own that idea. Volvo has claimed it for its brand.

When you are allowed to throw everything into the definition of what your brand is (including the kitchen sink), it becomes easy. It is when you have to

narrow it down to just one thing that the exercise becomes extremely difficult. You need to make sacrifices to find a powerful idea that is unique to you. Go on and take a look at all the brands across different categories you consider to be strong. You will find that each owns one powerful idea. If you want to be a strong brand, you need to do likewise.

Now you know why being famous alone is not enough. You need to be famous for one thing that is relevant to your customers. You need to be famous for owning a great idea. Looking at it from another angle, you need to link a great idea to your brand in order for your brand to be successful. The alternative, as always, is to sell cheap. Do you want to sell cheap?

Having said all that, what on Earth does having a memorable brand name get to do with idea ownership? Everything, as you will see.

3,000 MARKETING MESSAGES PER DAY AND RISING

A 2005 article in *USA Today* quoted J. Walker Smith, president of consumer and marketing watcher Yankelovich, as saying that customers are bombarded with between 3,000 and 5,000 marketing messages a day.¹⁰ When I shared that figure with participants in my branding workshops, many looked puzzled. Some asked, “Are you sure? It didn’t feel like I got 3,000 marketing messages today.” Herein lies the problem: Many of us have reached saturation point. We are bombarded with so many marketing messages that we have learned to tune them out. We don’t even notice them anymore.

“There are so many ads out there that consumers actively avoid commercials today, to an extent never before realised,” Dan Howard, professor of advertising and consumer behaviour at Southern Methodist University’s Cox School of Business, has said. “No matter how many more ads we put out there, it’s not going to work ... because it’s not registering.”

Although the figure of 3,000 to 5,000 marketing messages a day is for the United States, the rest of the world is not far behind. If you take the time to register the number of marketing messages you see every day while driving or taking the train to work, when you open your e-mail, read the newspapers, watch TV, read your favourite magazines, visit your favourite websites or even when you do a search on Google, you will realise that the problems marketers have in reaching you are the same ones you will have in trying to reach your customers. We have reached saturation point.

¹⁰ http://www.usatoday.com/money/advertising/adtrack/2005-06-19-cannes-box_x.htm

I have been told by business associates from the public relations industry that this figure is constantly rising. I have no reason to doubt that. After all, there is such a variety of media for companies to advertise in. On top of the traditional media such as TV, radio and print, there are blogs, forums and social networking websites on the Internet, SMS (or text messaging), webcasts, e-mail marketing (or, to many of you, SPAM), IPTV (Internet Protocol TV), and the crazy number of cable channels. I do not know about other parts of the world, but in Singapore alone, there are already 100 cable channels on offer from the local cable TV company, StarHub. And this island only has approximately 4.6 million people. Then there are buses, taxis, trains, billboards, direct mail and all kinds of other media being invented daily to target you with a marketing message.

The Managing Director of Ogilvy Public Relations Worldwide's Singapore office, Andrew Thomas, once told me of a phenomenon he calls the "incredible shrinking sound bite". According to him, in 1968, a brand had 42.3 seconds to grab a potential customer's attention and get its message across. In 1988, it was 9.8 seconds. In 1992, it shrank further to 7.3 seconds. I shudder to think what the figure is now. The proliferation of media channels, coupled with the explosion in the number of brands within every category, is contributing to this shrinking sound bite. Your brand has never been under more pressure.

What is even scarier is the thought that with the advancement of technology, it will not be too long before the advent of the type of targeted advertising featured in the movie, *Minority Report*. Machines will scan your eyes wherever you are and screen advertisements targeted at you. You will then be a prisoner of advertising! That may still be the stuff of science fiction for now but companies are starting to experiment with SMS advertising that will broadcast a targeted message to you when you are in the vicinity of an advertiser's shop – like in Starbucks, for example.

Media clutter has now become like a thick and solid wall of noise that is impenetrable. In the past, the quick and easy thing for a brand to do to cut through the clutter was to increase its advertising spending – increase the frequency, the reach, the "loudness" by making its ads bolder, more shocking, crazier. It worked for a short while but at some point, the Law of Diminishing Returns set in. The Law of Diminishing Returns is an economics concept. Simply put, it means that the closer to 100 per cent you get, the harder and more expensive it will be to make any gains. To jump from 50 per cent to 75 per cent is easier than to jump from 95 per cent to 96 per cent. Another way

to look at it would be from the point of view of saturation: Take a glass of water. Put some sugar in. It dissolves. Put more sugar in. It dissolves. But the more you put in, the harder it is for the sugar to dissolve. Saturation point is soon reached, and no more sugar can be dissolved no matter how hard you stir.

The human mind has limited capacity. It can only take so much. Once it reaches saturation point, it will not take in any more marketing messages, no matter how loud or long you shout. The mind will either leak all that information back out or tune out.¹¹ We have probably reached saturation point. Do you actually pay any attention to advertisements? People rarely do nowadays. There are just so many brands shouting so many marketing messages at us that, like a lot of people, we simply tune them out.

So, if you can't get your brand idea across, how can you build a strong brand?

DEFINING YOUR BRAND IDEA

In building a brand, there are two important components: strategy and execution. If you have a lousy strategy, you will run into trouble no matter how polished your execution. If your competitors have equally flawed strategies and your execution is better by far, you will probably win. But why leave that to chance? Getting the strategy right will improve your odds of succeeding.

Too many companies do not spend enough time thinking about strategy. That is detrimental to the business. You will be fine if the economy is doing well and the pie is growing fast, but what happens when economic conditions get tough or the competition gets smarter? You will need to have a better strategy to beat all those pesky competitors.

I remember an encounter I had with Professor Charles Lester Massingham of the University of Hull (United Kingdom). The learned professor had spent many years in Asia and studied many Asian companies. He told me that 90 per cent of the Asian companies he had studied were weak fundamentally and that the reason why they did well was because the economy was doing well. That is a scary thought. Are you within the 90 per cent who are doing well because the economy is doing well and not because you have a sound strategy? I hope not.

An important part of your branding strategy is defining what your brand idea is. This means nailing down what it is that makes your brand, well, *your*

¹¹ Jack Trout, *Trout On Strategy*, McGraw Hill (2004)

brand. Some brand consultants call this the Brand DNA. Some call it the Brand Spirit. We call it, simply, the Brand Idea. What is the idea your brand stands for? Which idea do you want your brand to stand for? You need to define that clearly. It will form the foundation of your brand.

Take Apple, for example. If you strip everything away, what is it about Apple that makes it an Apple? Which idea does it own that its competitors cannot take away, unless it willingly gives it up through neglect or complacency? In one word, it is the idea of *cool*. That is what Apple is all about: cool gadgets.

Did Apple set out to be cool right from day one? Maybe not directly, but what it did from the very beginning contributed to the cool factor. According to the book *iCon Steve Jobs: The Greatest Second Act In The History Of Business* by Jeffrey S. Young and William L. Simon, Steve Jobs was obsessed with design. He wanted the design of Apple computers to be not only stylish but user-friendly. He even wanted the solder lines on the computer's circuit boards to be straight! In those days in the late 1970s, those things were soldered by hand – no laser-guided robotic soldering arms – so you can appreciate how difficult the task was. And those were things you did not even see, once the computer casing was put in place. Nevertheless, this obsession with design that looked good and worked well marked Apple out as a cool brand. So, it is important to define what your brand idea is, right from the start. Steve Jobs and his co-founder, Steve Wozniak, are geniuses. What they did in terms of getting the brand idea right is something we should emulate.

But Apple is a B2C brand. What about B2B brands? It is no different whether you are a consumer or a commercial brand. A brand idea is necessary. Take a look at the 20 strong brands in Table 1. Half of them are B2B brands. But let us look at an example not highlighted there.

If you are familiar with the story of Intel, you would know that it used to be world's biggest manufacturer of memory chips. Due to severe price competition and commoditisation of this category, Intel was forced to abandon the market to its competitors from Korea and Taiwan. In 1985, Intel reached what it called its strategic inflection point.¹² It exited the memory chip market to focus on microprocessors. This time around, Intel focussed on building a strong brand. It already had a memorable name but it had to link this name to its brand idea, which was *computer chips*. Intel is now a strong B2B brand because it owns a powerful and clearly defined brand idea.

¹² <http://www.intel.com/pressroom/kits/bios/grove/paranoid.htm>

Define your brand idea clearly. That is part of your overall branding strategy. Next, create a memorable name that can be linked to this brand idea.

IF THEY CAN'T REMEMBER THE NAME, THEY WILL NOT BUY

In the book *The Power Of Simplicity*, Jack Trout and Steve Rivkin talk about the explosion of choice in the market, which is causing customers to get confused about what they should buy. It is happening in every market.

People have lots of choice today. Go to the nearest supermarket and try to buy anything, and you will be confronted with many brands. Need toothpaste? There is Colgate, Sensodyne, Pearly White, Darlie, Zact, Oral-B ... Even within the same brand lie many sub-brands for you to choose from. For example, Colgate alone has an amazing range of toothpaste you can buy, such as:

- Colgate Total Advanced
- Colgate Total
- Colgate MaxFresh
- Colgate Total Whitening
- Colgate Total Advanced Fresh
- Colgate Total Advanced Clean
- Colgate Luminous
- Colgate Simply White
- Colgate 2in1
- Colgate Sensitive
- Colgate Sparkling White
- Colgate Baking Soda & Peroxide Whitening Oxygen Bubbles
- Colgate Tartar Control
- Colgate Cavity Protection
- Colgate Ultrabrite
- Kid's Toothpaste

Need shampoo? Let's see: SunSilk, Organics, Keratase, L'Oreal, Vidal Sassoon, Clear, Head & Shoulders, Wella, Pantene, amongst numerous others.

Venture out of the supermarket and into a construction site. This is as hardcore B2B as you can get. If you are a construction company and you need to buy some trucks, you are also faced with a multitude of brands to choose from: Caterpillar, Komatsu, Mitsubishi Fuso, Hino, Mack, Scania, Volvo Penta,

Isuzu, Kenworth and Tata. These are just the brands we have heard of and there are probably more we haven't heard about yet.

The proliferation of choice makes it harder and harder for customers to remember brand names. That is why once you have defined your brand idea, you need to create a brand name that is easily remembered and linked to this idea. If it is not, your brand will not make it into the minds of customers. In branding, out of mind means out of sight, and out of sight means nobody buys from you.

The name is the superglue that sticks your brand idea in the minds of your customers. The stronger the superglue, the better it sticks. To make this special superglue strong enough to stick, it has to be memorable. Think of the different people you meet over the course of your work or your social activities. What makes you remember some and not others? It could be certain distinctive characteristics such as looks, height, weight, speech pattern or simply a memorable name.

What are the ingredients that go into the making of a memorable name?

CREATING A MEMORABLE NAME

Much as I would like to develop a foolproof formula for creating a memorable name, I have to admit that following the rules of naming can only get you part of the way. In the book, *The Making Of A Name*, authors Steve Rivkin and Fraser Sutherland wrote that sometimes you just have to do some creative daydreaming. While there are guidelines on how you can go about getting a memorable name, you also need to throw in some measure of creativity, and creativity is not something that can be bottled and sold.

Sometimes, memorable names are created by accident. You probably use Google. It is a great brand name and very memorable. Do you know the story behind the creation of the most successful brand name in the history of the Internet? Google, America's largest company by market capitalisation,¹³ was founded by Larry Page and Sergey Brin when they were doing their PhD at Stanford University. They hypothesised that an Internet search engine that analysed the relationships between websites would produce better results than methods existing at the time, which counted the number of times a search word appeared on a website. The original name for the search engine was BackRub, because the system checked for back links to a particular website to estimate its importance.

¹³ <http://en.wikipedia.org/wiki/Google>

Because of the incredible amount of data this search engine could handle, Page and Brin decided to call it Googol. “Googol”¹⁴ is a mathematical term Milton Sirota, the nephew of the renowned mathematician Edward Kasner, coined when he was nine years old. The term has been popularised by Kasner’s 1940 book, *Mathematics And Imagination*. “Googol” is used to represent the number 10 to the power of 100, which is 10^{100} . This is the digit 1 followed by 100 zeroes. Most of us do not have brains that work like Cray supercomputers nor are we mathematical geniuses so we can’t fathom it, but we know it is a huge, huge, huge number!

The founders of Google wanted to use Googol as their brand name because their search engine was reputed to be able to handle that kind of data. So, how did they end up with the name Google? A lot of people thought Page and Brin played around with the word “Googol” and tweaked it to become “Google” so that it would be unique and easy to pronounce. However, that name actually came about by mistake – a wonderful mistake, as serendipity would have it.

In 1998, Larry and Sergey needed some initial investment to get the Googol up and running. They met with one of Sun Microsystems’ co-founders, Andy Bechtolsheim, who is a well-known angel investor. They gave Bechtolsheim a demonstration of their search engine and he was intrigued by the idea. Unfortunately, he was rushed for time. He told them, “Instead of discussing all the details, why don’t I just write you a check?” He wrote a cheque out to “Google Inc.” for the amount of US\$100,000.¹⁵ That put the two young technopreneurs in a big dilemma: They had to decide if they should go back to Bechtolsheim to get the cheque amended and risk him changing his mind. Better yet, since there were no legal entities called Google Inc. at the time, they scrambled to incorporate a company named Google Inc. That was how Googol became Google.

You do not have to leave your brand name to chance. By following these simple steps, you can improve your chances of creating a memorable brand name:

1. Make It Simple

Before Apple got into the market for personal computers, Micro Instrumentation Telemetry Systems (MITS) of Albuquerque, New Mexico, was there with its MITS Altair 8800 computer. It was a great idea but the

¹⁴ <http://en.wikipedia.org/wiki/Googol>

¹⁵ <http://www.google.com/corporate/history.html>

name was not as memorable as “Apple IIe”, which came later. The Apple IIe was a more memorable name because it was simple. Just because you are selling a high-tech product does not mean you need a complicated name. Simplicity is often the best policy.

Memorable brand names are often simple: Facebook, Zara, Amazon, Mango, Pixar, Disney, Nokia, Otis, Lexus, Gucci, Dell, PlayStation, Honeywell, Xbox, Boeing, eBay, BlackBerry, Coca-Cola, Black & Decker, Red Bull and Kit Kat, among others. So, the first step is to keep the name as simple as possible.

While doing my research, I came across Projektrådgivningen,¹⁶ an organisation that works with non-government organisations (NGOs) in Denmark. That is one complicated-sounding name but for Projektrådgivningen, that is alright as long as it stays in Denmark. If you give your brand a complicated name like that and try to venture into the international market, you will run into some resistance (maybe lots of resistance).

The first computer in the world was called the Electronic Numerical Integrator And Computer,¹⁷ which is way too complicated a name, so it was simplified to ENIAC. This category was eventually just called the *computer* – something that is simple to understand. The computer is basically a machine that is able to make millions of calculations per second, hence a simple name like “computer” is perfect.

Complicated names are rarely memorable. You need to keep it simple. Still, that only represents a very good starting point.

2. Make It Different

Besides simplicity you need the name to be different, or as different as possible from your competitors’ names. There is a tendency for companies within the same industry to adopt similar-sounding names. If your company sells health supplements or health food, what would be a natural name to use? A name containing the word “nature”, of course. Go into any supermarket and take a walk along the health supplements aisle. Notice how many brands carry that word: Nature’s Farm, Nature’s Way, Nature’s Food Patch, Nature’s Goodness, Nature’s Remedy and Nature’s Sunshine would probably be among the names you will find.

¹⁶ <http://prngo.dk/>

¹⁷ http://www.computerhistory.org/virtualvisiblestorage/artifact_frame.php?tax_id=01.04.03.00

Those names do not differentiate your brand enough. If you choose a name that is very similar to your competitors', it will be difficult to make the name memorable. Take a look again at the brands mentioned above. How do you tell them apart? If you can't, how can you remember the name?

The same thing applies to B2B brands. Lucent Technologies (known as Alcatel-Lucent since the merger in 2006) is a telecommunications technology company. Is it a memorable name? I think not; it is very similar to that of another technology company, Agilent Technologies. Similar-sounding names cause confusion in the market and among your customers. So, if you are thinking of rebranding your company, take a look at what other companies in your industry are calling themselves first. They do not have to be direct competitors. Agilent and Lucent are not, but they are both technology brands. It pays to pick a name that is different, to give yourself a better chance of being memorable.

One of the reasons Yahoo! rose to become a top Internet company is its name. At the time, most Internet search engines had rather predictable names like Infoseek, Alta Vista, Excite, GoTo.com, etc. Yahoo! came along with its very different name, and that made it stand out. As a result, it became more memorable. In fact, Jerry Yang and his Yahoo! co-founders started a trend towards wacky-sounding names that make a huge impact.

Every technology start-up seems to be trying hard to outdo its neighbour in coming up with the weirdest name, in the quest to be different. In a December 2007 article on the BrandWeek website called "Silly Brand Names Get Serious Attention" (written by Amanda Baltazar), Danny Altman, creative director of the naming firm A Hundred Monkeys, said that nonsensical names are increasingly becoming a sensible option because the sheer volume of new brands being launched every day is making it very hard to find names. Companies are forced to invent wacky names like Wakooopa, Squidoo, Woomp, Renkoo, Eskwela, Zillow and Wii – just to name a few – to be different and memorable.

Very often, these names are picked for a very simple reason: The URL is available. At StrategiCom, we have also taken that route for our clients' naming projects. Sometimes, we recommend one name over another because the URL is available. When we talk about URL, we are talking about the one with the dot.com suffix. Seth Godin, the famous writer and founder of the social media site Squidoo, has commented that every

six-letter word in the English language has already been taken and we are closing in on seven. That is why more and more companies will be forced to resort to inventing wacky names. In fact, there are websites that will help you create wacky names for free using various types of algorithms. Many of these sites jumble up your name, star sign, city, country of birth, etc. to create a name that sounds like it came straight out of a Star Wars movie.

Branding is all about differentiation and that includes your name. Your brand name is one of the first things people notice, which makes it an extremely critical customer touch point. Therefore, it has to be memorable, and there is no way it can be if it is just like any other name in your industry.

3. Make It Meaningful

When I say you should make the name convey meaning, I do not mean that literally. Otherwise, our client Aetos, which is a specialist in security, would have been called The Security Company. For organisations such as the National Arthritis Foundation or government agencies such as the Economic Development Board, it is necessary. Plus, they are not pitched into a brutally competitive business landscape as your brand is, so they can afford to be more literal with their names.

For your brand, the name cannot be so literal, yet it has to convey a sense of what it is you do. To say that is not an easy task is an understatement. If you make car batteries and you want to convey the message that your batteries are really long-lasting and durable even in harsh conditions such as cold Wisconsin winters, what kind of name would you choose? DieHard seems good, and that is what America's No. 1 hardware store, Sears, Roebuck & Co, chose for its car battery. It is a great name that is meaningful and hence, memorable. If I were giving branding advice to Sears, Roebuck, I might have told the company to hire Bruce Willis as the brand's spokesperson and do a tie-up with the movie *Die Hard* to make it even more memorable. Maybe Bruce could use a DieHard battery in the movie to save the day somehow. But that is for scriptwriters and filmmakers to work on, not brand authors like me.

Sears, Roebuck & Co also owns the tools brand Craftsman, which makes both manual and power tools. Again, a highly memorable name because it is meaningful. It conveys what the brand is all about: tools that help professionals do their work like skilled craftsmen. It also tells amateurs

and DIY hobbyists that they should use Craftsman if they want to be good at making repairs on cars, homes or anything else.

Red Bull is not in the business of selling bulls that are red in colour; it sells energy drinks. In fact, it invented the category called *energy drink*. The name conveys some meaning even before you realise what the product is. “Red Bull” brings to mind something that is high energy or aggressive or strong. Thus, the name is highly memorable, and that has helped Red Bull become a huge success.

As of 31 December 2006, Red Bull was the No. 1-selling energy drink, according to figures compiled by Bevnet, a publication that tracks the non-alcoholic beverage market in the United States. Red Bull outsells its closest competitor, Monster, by a huge margin – 42.6 per cent market share versus 14.4 per cent.¹⁸ Well, Red Bull is a more memorable name because it speaks “energy” louder than Monster does, in my opinion. “Monster” conveys the meaning of huge, gigantic or enormous. While it is true that Monster is big – it comes in a larger can – the name does not say “energy” as well as “Red Bull” does. However, it is a great name for a large online recruitment service, which is exactly what Monster.com decided to call itself. Speaking of size, Amazon.com is another memorable name because everybody knows the Amazon jungle is huge; using it on the world’s first virtual bookstore is a great idea as it creates the impression of size.

The tiger is a strong, graceful animal that is found only in Asia, so if you are an Asian brand, it might be useful to use “Tiger” as a brand name. That was what Tiger Beer did. The name creates the perception of strength, and Tiger Beer is quite a strong-tasting brew – great for the beer company. But the tiger is not an animal that flies, so using it on a budget airline like Tiger Airways is not such a great idea. Although the name conveys strength, it does not say, “We are an airline that flies very well.” The name must convey some meaning for it to be memorable.

4. Make It Shocking

This is related to making it different, but a name that is different may not necessarily be shocking. A shocking name can stand out, provided you are operating in a category where shocking names are not commonplace. A shocking name gets into the mind more easily. But it can’t be shocking for the sake of being shocking. It must also be meaningful.

¹⁸ <http://www.energyfiend.com/2007/04/the-15-top-energy-drink-brands>

The leading brand of inline skates, Rollerblade, has a great name because it is quite shocking. Blades that roll? Fantastic. So, Rollerblade made it into the mind and now owns the idea of inline skates. If Rollerblade had been called something clumsy, its chances of doing so would have been diminished. Crocs is a shocking name and that is one of the reasons why Crocs sticks in your mind as the leading brand of casual rubber footwear.

Under Armour is a shocking name but it also has a meaning to it. The company pioneered sports apparel originally designed for athletes to wear under their normal sports jerseys. The purpose of this layer is to absorb perspiration and dissipate it quickly. The brand clocked US\$606 million in sales in 2007 with a net profit of US\$52.6 million.¹⁹

FCUK is a clothing brand with a shocking name. The letters stand for French Connection UK – whatever that means – but the acronym FCUK looks quite shocking when you first see it. Because of the initial shock element, the name sticks in the mind. But shocking names, like brand ideas, are mutually exclusive. You still need to be the first mover. After FCUK, no other brand could do something similar because it would no longer be shocking. It would be seen as a copycat. FART or SH1T would be shocking but if applied to clothing, people would say, “Been there, done that, seen it all. What’s next?”

When Yahoo! first burst onto the scene, the name was quite shocking. What kind of company calls itself Yahoo!? But now, shocking names among Internet companies are commonplace and no longer as memorable.

THE WORLD’S FIRST MP3 PLAYER IS ... ?

According to an article on CNET.com by Eliot Van Buskirk, Technology Editor of MP3.com, the first MP3 player in the world was the Eiger Labs MPMan F10/F20. It was launched in Asia in early 1998 and in the United States later the same year.²⁰ It was made by a Korean company called Saehan. However, many people thought the first MP3 player in the world was the Diamond Multimedia Rio PMP300. That was actually second.

Van Buskirk says the Diamond Multimedia Rio PMP300 got into the market second but into the mind first simply because it was sued by the major music labels for copyright infringements. The lawsuit was ill-fated, but it gave Diamond Multimedia plenty of media exposure. Why was Eiger Labs not sued

¹⁹ http://en.wikipedia.org/wiki/Under_Armour

²⁰ http://reviews.cnet.com/4520-6450_7-5622055-1.html

instead? Well, Eiger Labs was based in South Korea. Diamond Multimedia was in California, and that made it an easier target.

After the legal wrangling and the race between Diamond Multimedia and Eiger Labs for the title of first MP3 player in the world, and the launch of the Creative Technology Nomad Jukebox (released in the United States in 2000), which became No. 1? The iPod. The iPod has sold more than 100 million units and is showing no signs of slowing down. What makes the iPod's ascendancy more impressive is the fact that it was launched in 2001, one month after the September 11 terrorist attacks.

Why has the iPod been so successful despite getting into the market late? Marketing experts point to the combination of factors such as snazzier design (not that the others are ugly or anything like that), more user-friendly interface (which cannot be denied) and a cool advertising campaign (also true). What about the name? People keep forgetting the name because it is just something you slap onto a product. But look at the iPod name and how it compares to the three MP3 players that came before it. Which would *you* rather buy, based on the name alone?

- iPod
- Eiger Labs MPMan F10/F20
- Diamond Multimedia Rio PMP300
- Creative Technology Nomad Jukebox

The other names are a mouthful to pronounce and therefore not that memorable. The simplicity and elegance of Apple's MP3 player is also reflected in the name. Don't you think "iPod" creates the perception of something simple, elegant, compact and easy to use? Although I agree that there are a lot of other factors that combine to make the iPod the red-hot success it is, I also believe the iPod name has made it a lot easier for Apple to burn the brand into the minds of customers.

CAN YOU GET AWAY WITH A NAME THAT IS NOT MEMORABLE?

The rules of naming are not like the laws of physics in the sense that there are exceptions to the rules. There have been cases of companies with less than memorable names becoming very big brands. I am going to share with you two examples: TSMC and SKF.

TSMC

TSMC is a brand most of you would not have heard of, excepting those in the electronics industry. It is the strongest brand in its category. TSMC, which stands for Taiwan Semiconductor Manufacturing Company, is a dedicated semiconductor foundry that is extremely profitable. In 2007, the company had net sales of NT\$322.6 billion and a net profit after tax of NT\$109.9 billion.²¹ That represents a whopping net profit margin of 34.1 per cent.

TSMC is the No. 1 brand in semiconductors because it was the first dedicated semiconductor foundry to do nothing but manufacture semiconductors for third parties. Because of this, TSMC managed to get its brand idea into the minds of customers quickly – that of *semiconductor*. There are other semiconductor foundries, of course, but TSMC owns the idea *semiconductor* in the minds of customers because it was the first to be wholly focussed on nothing but manufacturing semiconductors.

The TSMC name violated one particular rule of naming – it uses acronyms – but because it got into the mind before any of its competitors, the name was less of a hindrance. There will always be exceptions to the rule and TSMC is one of them, but that does not mean you should do the same. I will discuss this in more detail in Chapter 10 on the use of acronyms (*page 196*).

TSMC actually created a new category and promoted it. When the category grew, TSMC grew along with it. You can build a powerful brand by creating a new category and being its leader. That's what Starbucks did: Starbucks created a new category called *gourmet coffee* in the early seventies and promoted it. When the category grew, Starbucks grew to become a multi-billion-dollar brand. Similarly with TSMC, and through creating a new category, it also got away with having a name that is not very memorable.

It helps that TSMC's main competitors – like UMC, for example – also do not have great-sounding names. Furthermore, the number of customers for a B2B brand like TSMC is limited to a few hundred or a few thousand at the most, unlike B2C brands like Starbucks and Coca-Cola, which have to sell to millions of people worldwide. Still, that does not mean that if you are a B2B brand, you can slap any name onto your company regardless of whether it is memorable or not. These days, the market is hypercompetitive and to survive, you do whatever you need to do to give yourself an edge. That includes creating a memorable brand name for yourself.

²¹ http://www.tsmc.com/download/english/e01_financials/96C_E.pdf

SKF

To people who need to buy ball bearings, the first brand that comes to mind would probably be SKF. SKF owns the idea of *bearings*. It has in-depth expertise in anything that has to do with bearings – ball bearings, rolling bearings, bearing units, bearing housings, plain bearings, industrial shaft seals, hydraulic seals ... The list goes on.

SKF has 110 manufacturing sites all over the world and its own sales companies in 70 countries. SKF is also represented in 140 countries through some 15,000 distributors and dealers.

How did it achieve such far-reaching success despite having a name that is less than memorable? Well, SKF got into the mind early. It was established in 1907 and has had a headstart of more than a century to build its brand. Brands this old had the luxury of growing up relatively unmolested by the hypercompetition that now exists in the market. If you tried to start a bearings company today, you would need to be as good as SKF, if not better, and you would also need to have a much more superior name to have even the slimmest chance of survival. Calling yourself International Ball Bearings or the IBB Group would simply not cut it.

SKF is also highly focussed. Concentrating on bearings with a laser-like focus has allowed SKF to burn its brand into the mind. After all, if you are so focussed on doing one thing, you become very good at what you do. Your customers will also think you are very good at what you do. It is a win-win situation for you. In contrast, most engineering companies are not very focussed. They try to do everything. When you try to do everything, the idea that your brand stands for becomes fuzzy.

So, you might be able to get away with an unmemorable name if you can do what TSMC and SKF have done:

- Create a powerful new category and promote that category relentlessly.
- Get a headstart in a market without any competition.
- Be highly focussed on doing one thing and one thing only.

In a nutshell

The second rule of naming is to have a name that is easy to remember. The market is a crowded place that will only get ever more crowded. If customers cannot remember your name, they will not buy from you.

A memorable name must meet four criteria:

- It must be simple.
- It must be different.
- It must convey meaning.
- It must be shocking enough to stand out.

You can get away with unmemorable names sometimes, if you have a fantastic new category, or if you have the luxury of time to get your brand into the mind and are highly focussed. But these situations are the exception rather than the rule.

Pay attention to the name. Make yours a memorable one.

CASE STUDY

Asia Paint

Asia Paint Pte Ltd is an industrial paint specialist that was established in 1980. From its humble beginnings in a small 1,000 square foot factory at Ulu Seletar in Singapore, its business has grown over the years and it now occupies a modern 60,000 square foot factory in Jurong Industrial Estate, which also serves as its regional headquarters. The success of its first overseas venture, a 22,000 square foot plant in Vietnam, provided the impetus for its plans to expand into more international markets.

The paints and coatings market is a huge one. The global market reached US\$71.7 billion in 2006, which was equivalent to 29.4 million tons. This is expected to grow to US\$92.5 billion in 2011, which represents 35.5 million tons of paints and coatings.²² The Asia Pacific market stood at 11.1 million tons in 2005, with Northeast Asia accounting for 8.3 million tons, Southeast Asia and India accounting for 1.2 million tons each.²³ Singapore continues to function as one of the key industry nerve centres for regional trade, vital for the supply of quality paints to countries whose infrastructure and economies are still under development, such as China, Pakistan, Bangladesh and Vietnam.

There are challenges Asia Paint must overcome to ensure the brand can grow. The paint industry can be classified as a low-interest category; industrial paint, in particular, is not something most people would think or care much about. Low-interest categories are more susceptible to price pressures and commoditisation. To make matters worse, there are an estimated 14,000 paint companies in the world. Given the hypercompetitive situation, it is extremely difficult for a paint company to be differentiated. To thrive, Asia Paint must differentiate itself.

If Asia Paint were perceived by customers as no different from its competitors, it would have to sell cheap. Selling cheap would be an option only if Asia Paint had the kind of structural cost advantage – such as Toyota's just-in-time system, Dell's direct sales model or Ikea's flat-packed furniture – that could help it to maintain its low price for years to come. This is not easy. Paint is relatively easy to manufacture and most of the 14,000 paint companies in the world could sell cheap if they really wanted to.

²² www.researchwikis.com/Paint_Marketing_Research

²³ www.coatingsworld.com

The Challenge With The Name

Asia Paint is now a company that is trusted by its customers as it has spent its whole life delivering on its promises. Whatever the customer needs, Asia Paint finds a way to deliver. The high level of customer confidence is both a bonus and a drawback. Because existing customers – some of whom have been dealing with the company since 1980 – know the Asia Paint name so well, it would not make sense to change the name; if it ain't broke, don't fix it. This is a mantra we agree with because brand building requires consistency. Asia Paint understands that.

However, Asia Paint's success also means it is now being propelled into international markets. It has to deal with new customers who have not heard of the brand, and this is where the name poses a problem. "Asia" and "paint" are both generic words. Put two generic words together and you don't have a unique name. There is also the small problem of Asian Paints, a much larger competitor with around US\$1.2 billion in annual turnover. The name is almost a dead ringer for Asia Paint, leading to all kinds of problems. The natural thing would be for the smaller company to change its name. As the smaller player, General Electric of the UK (unrelated to General Electric of the USA), was forced to change its name to Marconi.

Asia Paint has said a name change is out of the question because its founders had spent their whole lives building the brand. While it understands the challenges that keeping the name will pose, it is prepared to do whatever is necessary to make that name work. We are not sure if it can be done successfully; the results will only be apparent in a few years.

The Solution

This is a one-off case. I would not recommend you do the same even if Asia Paint pulls this off.

First, we could differentiate the name visually. Looking at how its competitor's name is written, Asia Paint could write its own name differently. For example, it could make Asia Paint one word: Asiapaint or AsiaPaint. The visual differentiation should continue to the logo. Asia Paint's logo will have to look very different and, frankly, more superior to achieve meaningful differentiation. Pepsi took that direction to differentiate its logo from Coke's. Coke's logo is round, so Pepsi went rectangular. Coke's is mainly red, so Pepsi went blue.

Two, create a tagline that always goes with the logo. When people see “Asia Paint”, they should see a tagline that communicates Asia Paint’s differentiating idea. Since Asia Paint is a specialist that has focussed on industrial paint, that could be used as a possible differentiator: ‘The Industrial Paint Specialist Since 1980’, or ‘Asia’s Industrial Paint Specialist’, or ‘The Industrial Paint Specialist For Asia’. Something along those lines. Besides communicating Asia Paint’s differentiating idea, a tagline will differentiate Asia Paint. What if Asian Paints starts having a tagline for its logo as well? Doesn’t matter, as it will most likely be a different tagline.

Three, the company could still change its name but not the meaning. It could retain a link to the original name by using an Anglicized version of its Chinese name. What this means is that the company could translate its name, Asia Paint, into Chinese or even a dialect such as Hokkien. Then, the Chinese or dialect name would be converted to English by using the phonetically correct spelling of the Chinese name. For example, when Ace Dynamics changed its name to Leeden (*case study cited on page 142*), it used the Anglicized words for “to encourage” (Lee) and “to lift up” (Den) to form its name. This is one possibility. The advantage is that Asia Paint could retain the link to the original name and create a nice brand story around how its name came about. When you have a story around your name, people remember your name more easily.

Four, Asia Paint could change its name to something different but retain a symbolic link to the original. This is difficult but if done well, could be highly rewarding, as in the case of a company called Singapore Network Systems or SNS, a government-owned company that specialises in e-government solutions. When SNS decided to expand its services to other countries, it found its name too long, too generic and too strongly linked to the Singapore government. (A sovereign government might have second thoughts about buying something like e-government solutions from another sovereign government.) Hence, the creation of a new name that still said “Singapore Network Systems” indirectly, and “Crimson Logic” was born. “Crimson” provides the link to Singapore, as the red colour on the Singapore national flag is actually crimson. A network or a system is actually something that has to be based on logic. It is a great name – looks good, sounds good and is entirely appropriate.

To do the same for Asia Paint is not impossible but difficult. At the time of writing, the company was still in the midst of working on a solution. I admire the guts of Asia Paint’s management in wanting to keep the name despite the David versus Goliath odds it faces. We will be watching it with interest.

CHAPTER 06

**Rule No. 3 –
The Name Must Be
English-Sounding**

ACCORDING to an article entitled “How Many Languages Are There In The World” by Stephen R. Anderson, published on the Linguistic Society of America website, the number of languages in the world has been growing steadily since people started cataloguing them. The 1911 edition of the *Encyclopædia Britannica* estimated the number of languages in the world to be 1,000.

The Ethnologue organisation, which catalogues all the languages known to man and is widely regarded as the authority in this field, reported that there are 6,912 languages in the world.²⁴ Six thousand nine hundred and twelve! When I casually asked people how many languages they thought existed, most answered, “A few hundred?” Who would have thought that there are actually thousands out there? And it is entirely possible that there are other obscure languages yet to be discovered.

Having so many languages in the world would be manageable if people just stayed where they were and did not interact with people from other places, but that is not the case. People not only interact with those who speak other languages, they are doing so more, due to three developments: One, the globalisation of trade and commerce. Trading involves interaction with people from other countries and cultures. Two, the advent of air travel. This has made it even easier for people to move around the world; hence, the oft-used phrase, “The world is shrinking.” Three, the explosion of the Internet, which has made it ridiculously easy for people from all corners of the world to interact with each other.

Because of this interaction, people need to communicate with each other. Unfortunately for us, the nifty device in *Star Trek* called the universal translator, which allows humans to understand alien races and vice versa, has yet to be invented so we either have to learn to speak other languages, employ a

²⁴ <http://www.ethnologue.com/>

human translator or settle on a common language for international trade and commerce. The last option has been the most feasible and the world has settled for English as the default language for that purpose.

The need for a common language exists not just for human beings but in the animal kingdom and the virtual world as well. Most animals have a keener sense of smell than humans and they can use smell to tell other animals things like, “Back off, bozo! This is my territory.” But we have enough problems understanding even people who speak the same language, so let us leave animal languages to, well, animals.

In today’s highly connected world, you have plenty of high-tech machines that need to talk to each other as well. All those servers, computers, fax machines, printers, photocopiers, video conferencing devices and phone systems that you have need to communicate so that your office can function seamlessly, and that requires a common language. Even on the production floor of a modern factory, there is a multitude of robots, vision inspection machines, packaging machines, among other things that need to communicate for the factory to run efficiently. That, too, requires a common language – usually that of computer software that makes these things work together seamlessly.

For human beings like us, our common language for trade and commerce seems to be English – and whether we like it or not, this is the international language of trade and commerce. As such, your brand name needs to work well in the English language. It does not need to be an English word, as we will see later in this chapter, but it has to work well in English.

Let us to take a look at the evolution of this language and understand its transformation from being a language for England into the de facto language of international commerce, technology and even diplomacy.

THE EVOLUTION OF ENGLISH²⁵

English is the dominant international language for communications, science, business, aviation, entertainment, radio and diplomacy. Today, it has become the first language for some 400 million people and the second language for around 1.4 billion people. That makes it a language spoken by around one-third of the world’s population. It is also the official language in 53 countries and one of the six official languages of the United Nations.

²⁵ http://en.wikipedia.org/wiki/English_language

The table below shows the top eight countries where English is spoken.

Country	No. of English Speakers	Percentage of Population
United States	251,388,301	83 per cent
India	90,000,000	8 per cent
Nigeria	79,000,000	53 per cent
United Kingdom	59,600,000	98 per cent
Philippines	45,900,000	52 per cent
Germany	36,000,000	44 per cent
Canada	25,246,220	76 per cent
Australia	18,172,989	92 per cent

Modern English has often been described as the world's first *lingua franca* – a language widely used beyond the population of its native speakers. One of the reasons for this widespread use is the influence of the British Empire. When empires grow, the national language is one of the first things that gets exported to their colonies. But that only accounts for the initial spread of the English language. Since World War II, the growing economic and cultural influence of the United States has further accelerated the spread of the use of English around the world.

The English language has evolved over time into the form it is in today. It actually had its roots in the German language and was brought to Britain by German settlers. Old English was a collection of diverse dialects that reflected the varied origins of the Anglo-Saxon kingdoms of England. One of these dialects, Late West Saxon, eventually rose to become the dominant English dialect. Even today, people in different parts of the United Kingdom speak slightly different English and in some cases, so different that it does not even sound like English. Irish English, for example, can be difficult to understand. One of my friends who went to Dublin to study medicine quit after six months because he had great difficulty understanding his lecturers.

The Old English language was then influenced by two invasions of Great Britain. The first was by the Scandinavian branch of the Germanic family, who conquered certain parts of Great Britain in the 8th and 9th centuries. The second invasion was by the Normans in the 11th century. Their influence created the Anglo-Norman variety of English. I will skip some of the phases of the evolution as this is a book on naming strategies and not *The History Of English*.

We will fast forward to the 15th century, which is regarded by linguists as the dawn of Modern English. That era began with the Great Vowel Shift, which refers to a major change in the way English words came to be pronounced. It was first studied by the Danish linguist Otto Jespersen, who coined the term.

By the time William Shakespeare arrived on the scene, English had evolved into a form recognisable as Modern English although I would beg to differ, since I had a hard time with Shakespeare when I was in school. But his works were not as horrifying as *The Pardoner's Tale* by Geoffrey Chaucer, which I had to study as well. That was supposed 12th century English. The only good thing that came out of that experience was it made me very thankful for the advent of modern English.

I remember when a classmate took me to buy the textbooks (I needed help as I was a foreign student who had no idea what I was supposed to do). After I found *The Pardoner's Tale*, I waved it at my classmate and said, "Got it! What's next?" She motioned me to stop, then picked up another book also titled, *The Pardoner's Tale*, and gave it to me. Puzzled, I asked, "I already got the book. Why do I need another one?" Her answer was like something out of a horror movie; the words still ring in my ears today: "Oh, the one you got is the original prose version. This one is the translation into modern English." I knew there and then that I had signed up for the biggest nightmare of my life. Up till that point, I had never thought there was actually a need to translate English into English.

English is still a language that is constantly evolving. I have been told by language experts that a language that is not constantly evolving is dead. Many cite Latin as an example. To give you an idea of how dead: We were asked by a client to create a new name for a new product they were working on, and we checked the Latin dictionaries to look for words to represent the key English words the client wanted to link its new product to. We found that in many instances, there weren't any equivalent Latin words.

So, English is an evolving language. Bear that in mind. What is acceptable today may become obsolete tomorrow. Nevertheless, you should still ensure your brand name works in English as it will remain the international language of commerce for a long time to come.

ENGLISH NAMES COMPLY MORE EASILY WITH RULES NO. 1 AND 2

For a name to be easy to pronounce and easy to remember, it is better for it to be English-sounding. We find that names that work in English usually work in other

languages as well, as far as pronunciation is concerned. I think that is partly due to the fact that English is more widely used in international commerce than any other language. Hollywood entertainment has also helped to propagate its spread. I read somewhere that the single-most recognised word in the world is “OK” and the second most recognised word is “Coca-Cola”.

“Coca-Cola” is a word that works in English. If I were to offer you “Krating Daeng”, would you drink it? Probably not. You might view such a drink with the suspicion normally reserved for known con artists, and with good reason. Not only is the name difficult to pronounce, the second word sounds like “dung”. It is a Thai name, and many Thai names tend to be long and difficult for non-Thais to pronounce. The company wisely changed the name to Red Bull, and Red Bull is today the world’s most successful energy drink.

Bevnet reported that Red Bull has the lion’s share of the market with a 42.6 per cent share, followed by Monster with 14.4 per cent and Rockstar with 11.4 per cent.²⁶ According to MoneyControl.com, Red Bull sold over 1 billion cans in 2003 and chalked up revenue of around S\$2.7 billion.²⁷ I am quite sure those figures are a lot higher today.

How did this hot-shot brand come about? While travelling in Asia, Austrian businessman Dietrich Mateschitz came across Krating Daeng (which actually means “red bull” in Thai), a cheap tonic favoured by factory workers to help them stay alert during their shifts. In 1987, an adapted version in a slender blue and silver 250-millilitre can was launched in Austria as Red Bull, despite unpromising market research results and reluctance by the Austrian authorities to approve it.

Red Bull pioneered a new category: the *energy drink*. And that is a great way to build a brand, as I illustrated in *Transforming Your Business Into A Brand*. Red Bull promoted the category relentlessly through word of mouth and quirky TV commercials using cartoons and the equally quirky tagline, “Red Bull Gives You Wings.” They did everything right. However, if Red Bull had kept its original name, I think no amount of brilliant marketing would have propelled it to the top as the name was hard to pronounce and harder still to remember. Red Bull’s cause was thus helped by a name that works in English.

If you want a name that works well in international markets, make sure it works in English. If you only intend to sell in a local market, pick a name that

²⁶ <http://www.energyfiend.com/2007/04/the-15-top-energy-drink-brands>

²⁷ <http://news.moneycontrol.com/>

best suits that local market. If Red Bull had only wanted to sell its beverage in Thailand, the original name of Krating Daeng would have been perfect as its Thai customers would have been able to relate well to it. A brand that wants to go international needs a name that can cross borders easily, and one of the requirements of such a name is that it must be English-sounding or at least work well in English.

IT ONLY NEEDS TO BE ENGLISH-SOUNDING

If you take a survey of the local brands in your home market, you might find that very often, the local brands also prefer to use English names. Over here in Singapore, that is most definitely the case. There are plenty of home-grown brands with English names – not surprisingly, perhaps, given that English is widely spoken here.

But you do not actually need an English name. You only need a name that is English-sounding or pronounceable by English speakers. There are many successful brands in the world that do not have names with English origins but they still work in English. This is especially important for companies doing business internationally in the 21st century because the world of commerce is now – as mentioned – closely inter-connected and relentlessly becoming more so.

If you want your brand to compete in international markets, your brand name needs to be English-sounding. As the majority of the world's biggest global brands come from the West, having an English-sounding name puts your brand in good company. This is no guarantee of success, but at least with such a name, your brand will become easily acceptable. Business is tough enough without being saddled with a difficult name, so make sure you get this aspect right. The rest of this chapter will examine successful brands that do not have names with English origins and my take on why these names work.

Nokia

Nokia is a very old Finnish company, having being born sometime in the mid-19th century. In those days, the mobile phone had not yet been invented, so what was this company doing then? Nokia's original business was in logging. Yes, it was a company of lumberjacks. They chopped down trees and used the logs to make pulp and paper and other wood-based products.

Over the years, the company grew into a multi-faceted conglomerate. In other words, it became unfocussed. Nokia had a diverse business structure that included pulp and paper, tyres, cables and wires, television, IT, chemicals, fibre optics, robotics, industrial machines, power generation, mobile communications, footwear and electronics. When a brand becomes unfocussed, it becomes weak. At the time, Nokia stood for too many things and it would have been hard for it to build a strong brand. Then, Jorma Olilla took over as CEO in 1991 and focussed the brand on just mobile communications. Nokia became one of the first mobile phone brands to make the jump from analogue to digital networks. Today, it is the world's No. 1 mobile phone brand with a market share that hovers around one-third of the global market.

Nokia is not an English word. Most of you will be surprised to learn Nokia took its name from a large, furry, black weasel found in the forests of Finland. What has made this patently non-English word work so well is the fact that it is a two-syllable word that is extremely easy to pronounce and remember, compared to its major competitors such as Motorola and Ericsson. Not that Motorola and Ericsson are difficult names, but Nokia, being shorter, is superior.

The other reason why the Nokia name works is its focus. I have often said that a brand needs to be focussed if it wants to be strong. A brand is simply an idea that exists in the minds of people. To link your brand to that idea, you need a powerful name that is highly focussed. Pre-1991, Nokia did not have that focus, so no matter how good the name sounded, it was devoid of meaning. Today, Nokia equals mobile phones. It owns an idea. It has meaning. It has context.

Motorola – the inventor of the mobile phone – is now a struggling company. After losing its No. 1 position to Nokia, it has since lost its No. 2 spot to Samsung. An article in the 19 May 2008 issue of *BusinessWeek*, “LG Closes In On Motorola”, said it is in danger of being surpassed by even LG, which was once a nobody in the mobile phone business.

Many analysts and industry experts have written at length about the problems at Motorola – outdated software, a navigation system that is not user-friendly, unexciting new products, over-reliance on the RAZR, etc. All of these are valid reasons. My wife, who had never owned any mobile phone except Motorola, eventually made the switch to Samsung in 2007 because she'd had enough of the frustrating user interface. Nobody has mentioned the name. Motorola is not a bad name, but it lacks the kind of laser-sharp focus the Nokia name has.

Motorola stands for too many things. Then again, so do Samsung and LG. However, those Korean brands spend a lot on innovation and design – basic things you must do in this business. In contrast, Motorola’s innovation engine has stalled and that has made it vulnerable.

Everything else being equal, the one with the more focussed name will have a better chance of becoming a strong brand, and that is what Nokia has. If you look at Nokia phones today, you would not say they are far superior to those of Samsung or LG. In terms of design and material quality, I think the Koreans are now leading the field. But Nokia is still the king in this category and I believe its powerful and focussed brand name has a lot to do with it.

Samsung

Korean names typically do not make for good brand names because they are not easy for the English-speaking world to pronounce. Hyundai is a very difficult name. As mentioned earlier, I used to have some Korean classmates (when I was studying at the Stamford College in Malaysia). One of them told me the correct pronunciation for “Hyundai” was “Hai-Yoon-Day-Ee”. That was tough. Most people in Malaysia and Singapore just called the brand “Hee-Yun-Die”. Fortunately for Hyundai, it had a secret weapon to overcome that difficult name: Their cars were loaded with equipment and sold at a low price. They still are. Other Korean names that do not translate well into English are Ssangyong and Daewoo.

What about Samsung? It is Korean but it is not bad, as the two syllables that make up Samsung are words that individually mean something in English: “Sam” is the name of a person and “sung” is the plural of “sing”. So far, so good. This combination makes the name easy to pronounce. There are minor shortcomings though. There is some variation between how the name is pronounced in Asia and in the West. Many Asians pronounce the name as “Some-Soong” but many Westerners I have spoken to say, “Sam-Sung”. It is a minor problem, not enough to derail the brand.

Although Samsung Electronics is also a highly diversified company like Nokia used to be, at least its products are pitched into the consumer electronics category, and Samsung is no more diversified than its major competitors such as Sony Corporation or LG. Samsung has also managed to link its brand to a powerful idea: design. That same strategy made 3M and Apple such strong brands. Although 3M is a highly diversified company, its brand is unified by one idea: innovation. Samsung equals design in the same way that Apple

equals cool. As long as Samsung can continue to deliver on this promise – sleek designs for mobile phones, plasma TVs, MP3 players, digital cameras and other electronics – the brand will continue to be strong. So, Samsung is a Korean name that works well in English.

Honda

Founded by Soichiro Honda, this is a fiercely independent Japanese company that has been hailed by reputable car magazines and renowned car journalists such as the late LJK Setright as among the best engine makers in the world, right up there with BMW. In fact, when one of the very first Honda cars, the S800, was launched, independent engine experts stripped the tiny engine apart for examination and the verdict was that it was as precise as a Swiss watch. High praise, indeed.

Honda is a Japanese name that works well in English. It is short and easy to pronounce. Besides working well in English, the Honda name is tied closely to a powerful brand idea: precision engines. Honda is in to many things today. It makes motorcycles, cars, lawn mowers, and there is even a Honda light jet. What ties all these disparate products together is the engine.

If you have driven a Honda, you would surely have marvelled at how well the engine works compared to those of other car manufacturers. Smooth, powerful, responsive, expensive-sounding, free-revving, super fuel efficient and topped with bullet-proof reliability – these are its hallmarks. I was recently reminded of Honda's supremacy when my in-laws came to visit from Hong Kong – two sisters-in-law, their husbands, two kids plus one mother-in-law – and I had to rent an MPV to ferry them around.

The rental car company (which I will never ever do business with again) promised me a new model 2007 Honda Odyssey, but at the last minute told me it only had an old model Odyssey. I was tempted to cancel the booking but it was too late to get another MPV so I took it. It was a really beat-up Odyssey with 100,000 km on it; 100,000 km on any rental car is like the equivalent of 300,000 km on a private car as they are often abused and badly maintained. However, despite the condition of the vehicle and the full complement of seven adults and two kids, the Odyssey's engine still pulled strongly and had no problems getting up to highway speed quickly. Imagine what a new Honda would have been like. It is a small wonder some Honda Odyssey drivers drive like they are in a Ferrari.

So, Honda has a name that works in English but it is also tied to a great brand idea. It has worked very hard to ensure its name continues to be associated with that idea, even though its cars are not the most exciting-looking in the market. Great name, great idea. And if the company wraps all that into a great-looking car with style to match an Audi or an Alfa Romeo, Honda might have a better chance taking on BMW in Europe (that is how it is positioned over there).

Otis

Elisha Otis invented the elevator and today, Otis is the world's No. 1 elevator and escalator brand. In *Killer Differentiators*, I talked about Otis at length. It is not an English name but it, too, works well in English because it is easy to pronounce. Among elevator brands in the world, "Otis" is probably the one that works the best in English.

The other brands we commonly see on elevators and escalators include Toshiba, Mitsubishi and Schindler – all names of non-English origins. Toshiba and Mitsubishi are Japanese brands that make great elevators. Based on my observations, Toshiba and Mitsubishi lifts seem smooth, quiet and fast. I can't really discern any areas in which Otis is markedly superior. If anything, from my layman's point of view, Toshiba and Mitsubishi lifts seem subjectively better. This is not backed by scientific measurement; it is just my personal observation. But Otis has a superior name as it is focussed and it works better in English.

What about Schindler? Both Otis and Schindler are German names but Schindler does not work as well in English because it looks complicated and is a lot harder to pronounce correctly. Also, there might be some negative perception because of a movie entitled *Schindler's List* but that is no fault of the company's. Even if the name Schindler were not associated with anything bad, it would still not work as well as the Otis name, as it is simply not an easy word to pronounce and remember.

I have German colleagues and am thus relatively familiar with German names, and many of the industrial brands we use as case studies are German or Austrian in origin. Even so, I have difficulty remembering how "Schindler" is spelt.

The name does not need to be English but it needs to work well in English; Otis is a German name that works in English better than its competitors'.

Arcelor Mittal²⁸

Lakshmi Mittal is the Indian-born steel tycoon who now heads Arcelor Mittal, the company responsible for 10 per cent of the world's steel output. It employs 320,000 people and chalked up revenue of US\$105 billion in 2007. Profit was a healthy US\$10 billion.²⁹

Lakshmi Mittal started in 1978 when he opened his first steel mill in Surabaya, Indonesia. He believed steel companies could generate heavyweight profits if they could grow big enough to negotiate on an equal footing with suppliers of iron ore and coal and with customers such as car manufacturers. That has been Mittal's organising principle, even up to the point where it acquired Arcelor, the giant European steel maker, for US\$38 billion.

Some Indian names are difficult to pronounce but not Mittal. Lakshmi might be more challenging but the two-syllable Mittal is perfect. Arcelor is a non-English word that also works well in English. Arcelor sounds regal and strong – like a steel company should – perhaps because it sounds quite similar to Lancelot, one of the knights of King Arthur. Does Arcelor Mittal as a name work? Although it is a five-syllable name, I think it does. The two words mesh nicely, which cannot be said for most merged names.

Porsche

Porsche is the world's most successful sports car brand and one of the world's most profitable car companies in terms of margins per car. It was founded by Dr Ferdinand Porsche, who helped to create the original Volkswagen Beetle – once the bestselling car in the world until the Corolla came along and took that title away. But many people still contend that the original Volkswagen Beetle is rightfully the bestselling car in the world of all time. The original Beetle has remained largely unchanged but the Corolla has gone through many generations. The current Corolla, introduced in 2006 and code-named E140, is the tenth generation of the Corolla. So, there is some merit in that argument, but we are not here to take issue with that. We are here to talk about Porsche. Porsche is a German name through and through but it works well in English. In fact, many Americans pronounce it as "*Posh*". Well, it is a posh sports car ... and highly desirable.

²⁸ http://www.businessweek.com/magazine/content/07_16/b4030001.htm

²⁹ http://en.wikipedia.org/wiki/Arcelor_Mittal

WHEN ENGLISH-SOUNDING NAMES CAN BE A DISADVANTAGE

There is a time and place for everything as the saying goes, and there are situations in which you do not want to have an English-sounding name. As a rule of thumb, you want to avoid having an English-sounding name when the product or service you are offering is closely tied to a country where the main language is not English, even though English may be widely spoken there.

The country of origin can be used to differentiate a brand. Countries are also brands and they each stand for something – not all countries, but some are very well-known for certain things. For example, Japan is well-known for electronics; Switzerland for watches; Germany for precision engineering; the United States for technology; France for high fashion. (These countries are also known for other things but I am using one example per country to simplify the illustration.) The point is, when you mention certain countries, certain mental images and brand ideas come to mind.

Therefore, if you are offering a product or service traditionally associated with a particular country, you want to make sure your brand name sounds like it is from that country. If English is not the main language in that country, having an English name would naturally be a disadvantage.

Traditional Chinese Medicine

If you are a traditional Chinese medicine company, it goes without saying that you would want a name that sounds Chinese. It does not really need to be a Chinese name – just one that sounds Chinese. This is the reverse of the “It Only Needs To Be English-Sounding” rule. Of course, if you are operating in this category, most of your customers would be Chinese people so you would pick a proper Chinese name.

However, traditional Chinese medicine is fast becoming mainstream. Even people in the West are starting to use it because it is seen as natural and gentler than Western medication. Therefore, you need an authentic-sounding Chinese name that also translates well into English. The best-known brand in traditional Chinese medicine is arguably Singapore’s Eu Yan Sang. When I asked Eu Yan Sang’s Managing Director, Richard Eu, how many of his several hundred products were made in Singapore, he laughed and said, “Eu Yan Sang products are made in various places except Singapore.” But people still buy Eu Yan Sang regardless of where it is made because it is such a strong brand that has been trusted by generations of traditional Chinese medicine users.

Fortunately for Eu Yan Sang, its name is quite easy to pronounce in English although we have heard friends from the West calling it “You-Yen-Sang” instead of “E-You-Yan-Sung” as we would say it, but that is not a problem. The way many Westerners are prone to pronounce it actually makes the name sound more exotic, with all the mystique of the Far East attached to it.

There are other makers of traditional Chinese medicine whose names do not translate as well into English. What should they do? Change their names? If they are relatively new and unknown brands, that may not be such a bad thing. But if they are brands with 50 years of history, they should not tamper with their heritage. Instead, they should focus on Asian markets where Chinese names are not too alien to the customers. After they have built up their brands to a more dominant position, they can export to the West where their track records and successes would go some way in offsetting a name that does not work too well in English.

However, regardless of how much heritage the name has, if it is a truly difficult name even in Chinese, I would suggest changing or at least modifying it. For argument's sake, let's say you are a traditional Chinese medicine company with a name like Au Yeang Tjin Ngan. That is a tongue twister even in Chinese – and more so for those not fluent in the language. Perhaps simplifying it to something like Yang Jin Gan would help the brand in both the Asian and Western markets.

Instant Noodles And Soy Sauce

The instant noodle was invented by the Japanese. More specifically, it was a company called Nissin that pioneered it in 1958. The instant noodle was initially frowned upon by other noodle manufacturers in Japan, who viewed it as a bit of an abomination. But Nissin pressed on and kept promoting this new category it created. Today, instant noodles is big business. Nissin is now a major global brand with 21,900 employees, 29 factories in 11 countries and a whopping turnover of US\$3.2 billion a year.³⁰

Today, there are instant noodle brands from other countries, but instant noodles is a category that is closely tied to Japan, and Japan also has a solid gold reputation for quality, hygiene and safety when it comes to food manufacturing. Therefore, it goes without saying that if you are an instant noodle brand from Singapore, you would want a name that is Japanese-sounding. What would

³⁰ <http://www.nissinfoods.com/company/about.php>

happen if you launched an instant noodle brand with a name like Royal Cup Noodle (this is a fictitious brand, by the way)? It would have less credibility, for a start. I am not saying that Royal would not be successful but it would find the going a bit tougher.

Soy sauce is another food item associated with Japan. The leading Japanese brand of soy sauce is Kikkoman, a household name among Asians. For centuries, soy sauce has been an indispensable ingredient in Japanese and Chinese cuisines. These days, soy sauce is also used in other types of food. This versatile seasoning is traditionally brewed from soybeans, wheat and salt.

The origins are unclear but what is clear is that Kikkoman equals soy sauce. The history of Kikkoman began when the Mogi and Takanashi families began soy sauce production along the Edo River in Noda, a small city not far from Tokyo. For more than three centuries, award-winning soy sauces have been created by the company formed by these families; as early as at the 1873 Vienna World's Fair, Kikkoman has won honours.

If you were to be selling soy sauce, you would not want a name that is English-sounding, like McCormick's or Master Foods. Your name does not have to be Japanese but it needs to be Asian-sounding. If you were a Western company trying to break into the Asian market with a product like soy sauce or instant noodles, you would do yourself a favour by launching a separate brand with a Japanese name. But wouldn't that be cheating? Not as long as it were legal. If it were illegal, I would not recommend it. If it were legal, then consider this: If you do not do it, your competitors will. What is dangerous however is that customers might see that you are trying to mislead them. It would make sense then to make the link to Japan stronger through a Japanese-sounding name. Maybe tie up with a Japanese company to do product development in Japan. If the product is developed in Japan or created with help from the Japanese, it becomes more credible.

Vodka

I still remember a memorable scene from the movie *Red Heat* starring Arnold Schwarzenegger as the Russian cop who had to go to America to track down a dangerous criminal. While there he teamed up with an American cop played by James Belushi. In that particular scene, Belushi's character took some pills. Arnold's character asked what those were for. Belushi's character said something like, "Well, this is for headache. You have never seen one of these

before? What do you Russians take for headaches?" Arnold's character replied in a matter-of-fact tone, "Vodka."

Vodka is as Russian as hamburgers are American and chicken rice is Singaporean. If you were a vodka brand, the last thing you would want is an English-sounding name like Johnnie Walker or Jack Daniel's. You would want an authentic Russian-sounding name even though you were not from Russia. Absolut is from Sweden but the name does a passable impression of being Russian because of the way it is spelled: "absolute" minus the 'e', which is conceivably how the name might be spelled in Russian.

If you had a name that was instantly identifiable as Russian, such as Stolichnaya or Smirnoff, that would be even better. I personally like Stolichnaya as a name because it really sounds like a traditional vodka brand. In such things, heritage is important. Heritage implies that you are the real thing, and the real thing must be the best thing. And, Stolichnaya is really from Russia.

The shocker here is that the world's bestselling vodka is from Britain.³¹ Smirnoff sounds Russian but it is a brand that is owned by the British company, Diageo, although it did originate from Russia, having being founded by Piotr Arsenyeyevich Smirnov in the 1860s.³² According to the 2007 *BusinessWeek* Top 100 Global Brands survey, Smirnoff is ranked the world's 91st most valuable brand (up from 93rd in 2006) and its brand value rose 11 per cent from US\$3.03 billion to US\$3.4 billion. Not bad at all.

Watches

This is a no-brainer. Switzerland's dominance of the watch industry is unassailable. So, if you were a watch company, you would want your brand to sound like it came from Switzerland. The 'Made In Switzerland' or 'Swiss Made' label on a watch carries a lot of weight with watch enthusiasts. Although there have been reports showing that many young people are increasingly not wearing watches because they can easily tell the time from their mobile phones (which never leaves them), this is still a big industry. Watch enthusiasts would happily pay a premium for a quality Swiss watch.

According to the Federation of the Swiss Watch Industry FH,³³ in 2007 Swiss watch makers exported around US\$13.8 billion worth of watches (an increase of 16.2 per cent year on year), making Switzerland the No. 1 watch

³¹ "The 100 Top Brands", *BusinessWeek* (6 Aug 2007)

³² <http://en.wikipedia.org/wiki/Smirnoff>

³³ http://www.fhs.ch/statistics/watchmaking_2007.pdf

exporter in the world. Switzerland's export volume of 25.9 million units puts it at No. 3 worldwide behind China (638.3 million units) and Hong Kong (472.9 million units), but the combined dollar value of watch exports from China and Hong Kong was only US\$8 billion as the average selling price of a Swiss watch was US\$479 versus Hong Kong's US\$9 and China's US\$2.

These fascinating figures just reinforce the fact that Switzerland is a powerhouse in the watch-making industry. So, what do you do if you want to become a premium watch brand? To begin with, you need to have the technical capabilities. No company can build a strong brand without having quality that is at least as good as its competitors. Next, you need a Swiss-sounding name. Finally, you need to have your headquarters in Switzerland. When it comes to watches, having a name like Tag Heuer or Brequet or Maurice Lacroix is definitely more advantageous than Hamilton or Timex (which are American watch brands).

The exception to this would be for a category called *fashion watches*. If you were selling fashion watches, you would want a name that was English-sounding. The leading fashion watch brands in the world are brands like Fossil and Guess. When I met the Senior Vice President of Fossil's Asia Pacific operations, Mark Parker, in 2006, I asked if Fossil was worried about the long-term trend of young people preferring not to wear watches. Parker said not at all, because Fossil makes fashion accessories, not watches. Young people wear Fossil as part of their outfit; the fact that it tells time is a bonus. So, if you are in the fashion watch category, having a fun, English-sounding name would be the way to go. Swatch is a late entrant in the market and its funky, distinctive designs are fashion statements. Swatch has an English-sounding name.

Beer

Beer is essentially a German thing. So, when you have a beer brand, you want a name that sounds German. One of the leading American beers is Budweiser, which sounds as German as they come. That, no doubt, helps in some way. Of course, Budweiser has worked hard to get to where it is today, but the name Budweiser is a plus point. Furthermore, the name lends itself to contraction. Beer drinkers refer to the brand affectionately as "Bud". They would pop into a bar and say to the bartender, "Give me a Bud." Bud is also the short form for "buddy", which is, again, a positive.

Heineken bills itself as the world's No. 1 premium international beer. Although Heineken is Dutch, the name does sound German. It also sounds authentic. Even though Heineken would probably not be happy if you mistakenly called it a German beer, the name helps. I only drink Heineken (except for the few months during which I wrote the *Great Asian Brands: Tiger Beer* book, when I drank copious amounts of Tiger for inspiration). Tiger, by the way, is one of Singapore's iconic brands and it came about as a result of a joint venture between Fraser & Neave of Singapore and Heineken, so they are siblings in a way. I think Heineken is a great name for a beer.

I am not sure about Beck's, though. Beck's is Germany's leading beer so that gives it plenty of credibility. If Germans drink Beck's, it has got to be good, right? The downside that I see here is that the name actually sounds rather English. Budweiser and Heineken are more German-sounding names than Beck's, and although that has no impact on the quality of the beer, it has implications on people's perception of the beers.

Precision Engineering

This is a category the Germans are very well-known for – and with good reason. German companies such as Bosch, Siemens and Getrag are renowned worldwide for a wide range of industrial products such as power tools, fuel injection systems, anti-lock braking systems, electronic engine control units, baggage handling systems for airports, gearboxes for cars and trucks, control units and instruments for factories and others. These German companies should stick with their German names unless the name is very difficult to pronounce.

I read that Switzerland is quite well-known for its precision engineering industry as well, and German is a language widely spoken in Switzerland, so it would not be difficult to come up with a German-sounding brand with Swiss origins. On a side note, the Swiss-German sounds to my ears a slightly more mellow version of the German spoken in Germany. My colleagues from our Zurich office say there are some differences in the intonation.

Consumer Electronics

Japan is to consumer electronics what Switzerland is to watches, although some of the Japanese consumer electronics brands try to have English-

sounding names like National, Panasonic, Sony, Canon and Denon. But there are also plenty with very Japanese names such as Nintendo, Nakamichi, Aiwa and Nikon. This explains why several of the Singapore consumer electronics companies have chosen Japanese-sounding names like Akira and Ichiban. When I met with these companies, I was told that having a Japanese-sounding name inspires more confidence with their customers and distributors in emerging markets such as the African continent, where they do a lot of business.

However, that is just the beginning. People expect more from these brands with Japanese-sounding names. Akira and Ichiban both know this and work very hard with their suppliers to ensure the quality and design of their products live up to the promise their Japanese names automatically make. A brand is, after all, about promise and delivery. Every brand makes a promise – whether explicitly or implicitly. This needs to be fulfilled, or the brand loses credibility. Building credibility is a life-long process but to destroy a brand's credibility is very easy to do. So, if you have a Japanese-sounding name and are selling consumer electronics products like TV sets, DVD players, MP3 players and digital cameras, you have to make sure that you can deliver on the brand promise of being 'Japanese'.

In a nutshell

As English is the international language of commerce and brands cannot avoid the relentless march of globalisation, it is important for you to have a brand name that works very well in the English language. English-sounding names are easier to pronounce even for non-native speakers of the language. The name does not need to be an English word but it needs to work well in English. There are many brands with non-English origins that have become very successful globally but they have names that work well in English, such as Audi, Nokia, Volvo, Alfa Romeo, Toyota, Zara, Prada and Chanel.

However, there are also situations in which you want to avoid having an English-sounding name. This happens when you operate in a category for which the country best known for it does not use English as its first language. If you were making pasta, for example, you would want an Italian-sounding name such as Barilla, San Remo or Pasta Zara. A pasta with a Japanese name just would not do, I think. But having a name that links your brand (regardless of your country of origin) to the country most well-known for that category also carries a lot of burden. You need to be able to deliver on the implied brand promise of being associated with that country. Otherwise, you would do more harm than good to your brand.

CASE STUDY

Eu Yan Sang

Eu Yan Sang is one of the leading brands in Traditional Chinese Medicine (TCM). Its story began in 1879 when the company's founder, Eu Kong, left his hometown of Foshan, a village in the southern China province of Guangdong. He set sail for Malaysia – then known as Malaya – to seek his fortune. As California's Gold Rush drew prospectors from all over the world, likewise, the Tin Rush saw many young, ambitious men ending up in the mining town of Gopeng in Perak.

The enterprising young man noticed that the harsh working and living conditions in the tin mines resulted in a lot of aches and pains for the miners, whose solution was to use opium to alleviate their pains. They might not have known it at the time, but opium caused their bones to become brittle, and they were not going to be able to do any heavy work with brittle bones. Eu Kong decided to introduce traditional Chinese herbal remedies for these workers as a substitute, and the first Eu Yan Sang shop opened its doors.

The name “Eu Yan Sang” has very deep meanings in Chinese. “Eu” is the surname of the founder. “Yan” in the Cantonese dialect means “benevolent”, “kind” or “humane”, and “Sang” means “birth”, “life” or “livelihood”. Put together, “Yan Sang” literally means “caring for mankind.”

Eu Kong's eldest son, Eu Tong Sen, bought into his father's mission of caring for his fellow man. He quickly established himself as a leading tin miner and rubber planter in Malaya. With his riches, Eu Tong Sen donated generously to the poor and needy. He also made big financial contributions to allow education to become more readily available to the masses as he believed education would help improve the next generation's life. Additionally, Eu Tong Sen found time to expand Eu Yan Sang's business to Hong Kong and China.

Today, Eu Yan Sang is a highly successful company that is listed on the Singapore Exchange (SGX). For the financial year ending 30 June 2007, it registered S\$191.5 million in revenue and a pre-tax profit of S\$19.7 million. It currently offers more than 280 products under the Eu Yan Sang brand name and over 1,000 different types of Chinese herbs and other medicinal products.

Eu Yan Sang has an extensive distribution network comprising more than 140 Eu Yan Sang-branded retail outlets in Hong Kong, Malaysia and Singapore, but the company's products are also available in drugstores, pharmacies, medical halls, supermarkets, convenience stores, hospitals, health clubs and spas worldwide. Its

cyber shop at www.euyansang.com.sg gives customers all over the world access to its products.

Of Brand Promise And Delivery

Eu Yan Sang's rise to the top illustrates that there are simply no shortcuts if you want to build a brand that can survive and even thrive long after you are gone. Eu Yan Sang's formula for success is a simple one: Deliver on your brand promise, no matter what. It is a simple formula in principle, but one that requires hard work, focus, consistency and persistence to execute well. By the time this book is released, Eu Yan Sang would have celebrated its 130th year. Its brand promise since 1879 has always been the same: caring for mankind. The company has delivered on this brand promise so consistently that the brand name is now a trusted one. Anything carrying the Eu Yan Sang brand – as long as it is made from Chinese herbs – is trusted by buyers.

To deliver on its brand promise, Eu Yan Sang has never rested on its laurels. The company has constantly innovated to maintain its leadership position in TCM. Its manufacturing activities are carried out in two of its GMP (Good Manufacturing Practice)-certified factories in Hong Kong and Malaysia. Eu Yan Sang has also done a lot to modernise the production as well as the image of Traditional Chinese Medicine. The Hong Kong facility in Yuen Long is TGA (Therapeutic Goods Administration)-certified.

The company is now managed by Richard Eu, one of Eu Kong's descendents and a CEO who understands the burden that the Eu Yan Sang name carries. He once told me it has taken over a hundred years to build the brand but everything could be destroyed in the blink of an eye if it became complacent and stopped delivering on its brand promise.

But Eu Yan Sang Is Not English-Sounding

When I spoke at the Singapore Brand Conference 2007 on the 10 Rules Of Naming, a member of the audience asked about a successful brand like Eu Yan Sang violating one of the rules of naming – it is not an English name and it does not sound English.

One of my clients has also asked, "If I have a Chinese name, do I need to change it? And if I change it, do I need to get an *ang moh* name?" (For those unfamiliar with the term, *ang moh* in the Hokkien dialect literally means "red hair". It is a term used to describe Westerners.)

The answer is: You don't need to change your brand name if it is Chinese, unless it is a bad Chinese name like Sum Ting Wong. Even if you had a bad Chinese name, you wouldn't need to change it to an English name. You would only need to change it to a better name, and a better name could be in Chinese. Something like Wang Der Foo would work quite well; it sounds like "wonderful" in English.

Although Eu Yan Sang is a Chinese name, it is entirely appropriate for two reasons. The first is a no-brainer. What business is Eu Yan Sang in? Traditional Chinese Medicine. Because the category has the word "Chinese" in it, you would expect TCM brands to have Chinese-sounding names, wouldn't you? If you sold traditional Chinese medicine under *ang moh* names like Novartis, Pfizer, Johnson & Johnson, Glaxo Smith Kline, Bayer or Abbott, you would have no credibility. What do Westerners know about Traditional Chinese Medicine, customers would ask? So, the name Eu Yan Sang is not only appropriate for its category, it is a requirement.

The second reason why this is an appropriate name is that it is relatively easy for people to pronounce. That is the more important thing. If you are a TCM brand, you need a Chinese name but that Chinese name must be easy to pronounce, even for non-Chinese speaking people. There might be some slight variation in pronunciation but it would still be recognisable as Eu Yan Sang. As far as I am concerned, it is a great name for a Traditional Chinese Medicine brand.

CHAPTER 07

**Rule No. 4 –
The Name Must Be Short**

IF this opening section sounds sexist, I apologise. It is not meant to be. I have a couple of friends who work in the pharmaceutical industry as sales representatives. Both are tall, slim and attractive girls. Once I asked if they enjoyed their work; both said it was extremely tough. I asked why and the answer floored me. Basically what they said was, “It is a tough industry to be in because you need to be a pretty girl in a short skirt so people remember you.” And I went, “And the two of you do not qualify? Are you in sales or vying for Miss Universe?” This is an imperfect world. Seems that if you are a pretty girl in a short skirt, people remember you – for better or worse. I think this applies not just to pharmaceutical sales.

What if you are ugly and have hairy legs? Tough luck. And what happens if you have a brand that is equivalent to unattractive men with hairy legs? Even tougher luck. In many product categories, good looks are needed for success. Apple has a range of *über*-cool products that is the equivalent of sexy girls in tiny skirts. Audi has often been criticised by car magazines for being uninspiring to drive compared to its compatriots BMW and Mercedes-Benz. But Audi is one of the most successful premium brands in the world because it is the equivalent of sexy girls in short skirts. Audi cars are beautifully designed – simple, taut and elegant.

One of StrategiCom’s clients is Goldbell Engineering, which specialises in distributing and leasing industrial equipment such as trucks, forklifts, cranes, compressors and aviation equipment. Its boss, William Chua, once told me it is important even for industrial machines to look good. Industrial machines being industrial machines, the good-looking ones attract more attention and have better potential when it comes to closing a deal. He mentioned the example of Crown electric forklifts, which are very attractively designed – the equivalent of the short skirt: Crown is one the biggest players in the electric forklift arena.

Being good-looking helps a person as well as a brand to gain an unfair competitive advantage. But besides having the ‘short skirt’ you also need to

have a short brand name. If you are an attractive girl with a short skirt but a long and convoluted name, chances of you being remembered will be slim. People might make an effort to remember your name if you are in a room full of less attractive people, but you have to remember that there are other equally, if not more, attractive girls out there and yes, some of them also have the short skirt. If they have a short name that is easier to remember than yours, you will lose out.

The same goes for a brand. You need to do everything possible to give your brand an unfair competitive advantage and that includes making it look good and even sexy. Give it the equivalent of the short skirt, but you also need to remember to make the name equally short. In the previous chapter I mentioned that an English-sounding name is easier to pronounce and remember. A short name will make that English-sounding name even better. After all, in this overly communicated and increasingly distracted world that we now live in, attention spans are getting shorter – those of your customers included.

THE MIND CAN ONLY HOLD SEVEN BITS OF INFORMATION

There are many similarities between the human mind and a computer, according to cognitive scientists who spoke at a Massachusetts Institute of Technology (MIT) symposium in 1956. George Miller, the scientist who would later go on to establish the Harvard Center for Cognitive Studies, theorised that our working memory can only deal with seven bits of information.³⁴ The working memory is like the computer's RAM (random access memory). When we open a file or run a programme on a computer, that file or programme is stored in the RAM so we can work on it.

Unlike a computer, the mind does not always accept information that is input. But like a computer, a mind can suffer from information overload and start to 'leak' information out. How is this relevant to branding?

You probably do not need a bunch of cognitive scientists to tell you that the human mind – just like a computer hard disk – has a limited capacity. As an overloaded hard disk starts to leak data, an overloaded mind will forget things.

Because the mind can only hold seven bits of information at any one time, brands that get into the mind first will have a better chance of being remembered. That is why it is very important to have the first mover advantage. But being first

³⁴ http://www.boston.com/news/globe/ideas/articles/2007/04/29/hearts__minds/

in the market is of little use unless you make use of that advantage to get the brand into the mind and lodge it there firmly.

To relate this limited memory capacity theory to branding, do this simple exercise:

1. Pick 10 product categories familiar to you or which you use everyday – toothpaste, shampoo, shoes, batteries, bags, printers, pens, cars, etc.
2. Try naming the brands you know, within these categories.

You will find it difficult to name more than seven, except in categories you have an extremely high level of interest in. When it comes to naming the brands in any category, people typically start with the best-known or the leading brand and move downwards, like moving down a ladder. The further down the brand ladder you go, the harder it is to name the brands.

With low-interest categories, people find it even harder to name those seven brands. As such, it is extremely important for a brand to be the first in the market, so that it will have the licence to establish itself in the minds of customers before competitors arrive on the scene.

If you are behind an entire legion of competitors who have long ago set up shop in the minds of customers, you can only hope to be a bit player and even then, only by selling cheap. If you are not first, you need to set up a new category you can be first in. When you are able to place that new category in the mind, it becomes a new brand ladder which you are at the top of.

WHY DO YOU NEED A SHORT NAME?

Besides the need to ensure that your brand is placed as high as possible on the brand ladder, you need to make sure your brand name is as short as possible so as not to tax your customers' minds more than necessary, but that does not mean you can have a name that is seven syllables long. The MIT scientists made their 'seven bits of information' finding in 1956. Today, the mind is a much more coveted place because the world is more crowded. There are more brands out there, all vying for attention. Modern technology, the advent of better production techniques and the rise of a new class of companies called contract manufacturers who specialise in making all kinds of products for other people have contributed to this overcrowding. Every product and service category, both B2B and B2C, has seen an explosion of brands, which leads to

more choice for customers – the kind of choice that can paralyse the decision-making process. In Singapore alone, there are now about 154,000 small and medium-sized enterprises in existence, and Singapore is a tiny red dot of 704 square kilometres and 4.6 million inhabitants.

As the average consumer in America is bombarded with 3000 marketing messages a day, which translates to 90,000 marketing messages a month or the equivalent of watching a full-length movie containing nothing but TV commercials. It is not much different in other countries. Everywhere you turn, you are bombarded with brands and their sales pitch. With all these things going on, I think the mind will be even harder pressed to remember names that are long. Having a short name means you will require less memory space in the customer's mind, which makes you a customer-friendly brand.

HOW SHORT DOES THE NAME NEED TO BE?

It is not enough to say the name must be short; you need to determine how short. In my opinion, it should be between one to four syllables. The sweet spot seems to be two syllables. Let us look at the Top 100 Global Brands according to a *BusinessWeek* ranking of brand value.³⁵

<i>Brand</i>	<i>Syllables</i>		
1. Coca-Cola	4	13. BMW	3
2. Microsoft	3	14. Marlboro	3
3. IBM	3	15. Amex	2
4. GE	2	16. Gillette	2
5. Nokia	2	17. Louis Vuitton	4
6. Toyota	3	18. Cisco	2
7. Intel	2	19. Honda	2
8. McDonald's	3	20. Google	2
9. Disney	2	21. Samsung	2
10. Mercedes-Benz	4	22. Merrill Lynch	3
11. Citi	2	23. HSBC	4
12. HP	2	24. Nescafe	3

³⁵ "The 100 Top Brands", *BusinessWeek* (6 Aug 2007)

25. Sony	2
26. Pepsi	2
27. Oracle	3
28. UPS	3
29. Nike	2
30. Budweiser	3
31. Dell	1
32. JP Morgan	4
33. Apple	2
34. SAP	3
35. Goldman Sachs	3
36. Canon	2
37. Morgan Stanley	4
38. Ikea	3
39. UBS	3
40. Kellogg's	2
41. Ford	1
42. Philips	2
43. Siemens	2
44. Nintendo	3
45. Harley-Davidson	5
46. Gucci	2
47. AIG	3
48. eBay	2
49. AXA	3
50. Accenture	3
51. L'Oreal	3
52. MTV	3
53. Heinz	1

54. Volkswagen	3
55. Yahoo!	2
56. Xerox	2
57. Colgate	2
58. Chanel	2
59. Wrigley's	2
60. KFC	3
61. GAP	1
62. Amazon.com	5
63. Nestle	2
64. Zara	2
65. Avon	2
66. Caterpillar	4
67. Danone	2
68. Audi	2
69. Adidas	3
70. Kleenex	2
71. Rolex	2
72. Hyundai	2
73. Hermès	2
74. Pizza Hut	3
75. Porsche	2
76. Reuters	2
77. Motorola	4
78. Panasonic	4
79. Tiffany	3
80. Allianz	3
81. ING	3
82. Kodak	2
83. Cartier	2

84. BP	2	92. Lexus	2
85. Moët & Chandon	5	93. Shell	1
86. Kraft	1	94. Prada	2
87. Hennessy	3	95. Burberry	3
88. Starbucks	2	96. Nivea	2
89. Duracell	3	97. LG	2
90. Johnson & Johnson	5	98. Nissan	2
91. Smirnoff	2	99. Polo Ralph Lauren	5
		100. Hertz	1

The table below shows the number of brands with one, two, three, four and five syllables in their brand names:

<i>No. of Syllables</i>	<i>No. of Brands</i>
1	7
2	48
3	31
4	9
5	5

As you can see, 48 per cent of the world's 100 most valuable brands use two-syllable names. I prefer two-syllable names, too, because they are more balanced. A monosyllable does not seem as complete or as rounded. Two syllables seem ideal because there are two parts: a beginning and an end. I am not sure why 48 of the top 100 brands use two-syllable names but since almost half of the world's best brands are those with two-syllable names, you would do well to keep that in mind if you need to create a brand name for a new product line or a new subsidiary being set up, or if you are considering rebranding your company.

Singapore companies often ask how they can sound less "Chinese" and more international. Many are very successful family businesses with a strong heritage. Now that they are well-established and have a second generation

management team in place, they want to expand into international markets – usually starting with the neighbouring countries or, for the more adventurous, any market within a radius of seven hours' flight.

One of the biggest stumbling blocks in their efforts to become international brands is the name. Most carry the founder's name and these are usually three-syllable Chinese names like Tai Siew San Engineering – fine for Singapore but not a name that can cross borders easily. The best way for these companies is to rebrand themselves with an English-sounding name that is two syllables long.

Unfortunately, many of these family-owned businesses are not willing to rename the companies for sentimental reasons. They are open to any recommendation of change but not to the name or logo. To them, these are sacred things. Well, without a change of name, it would be very difficult for these companies to create a more international image unless they had started the internationalisation process 30 to 50 years ago when competition in regional markets was not as tough and savvy as today.

Three-syllable names are used by 31 per cent of the brands listed in the table above. In fact, four of the Top 10 brands are three-syllable names – Microsoft, IBM, Toyota and McDonald's. Although at StrategiCom, we often aim for two-syllable names for our clients (such as Allshores and First Rock), we have also done some three-syllable names that have been very well-received, such as Licavo, a marine power cable brand.

I feel the maximum number of syllables a name should have is four, but even that is pushing a little far, given that four-syllable names are definitely harder to lodge in the mind compared to two-syllable ones, all things being equal. You could still make a four-syllable brand name work if you work at it over time. Coca-Cola, Mercedes-Benz, Louis Vuitton, HSBC, JP Morgan, Morgan Stanley, Caterpillar, Motorola and Panasonic are all very old brands. They have had a long time to establish themselves.

If you are launching a new brand, setting up a new business today or rebranding your company, you do not have the luxury of time. Everything moves at lightning speed and the competition will punish you for every mistake you make. So, it is better to avoid four-syllable names. When StrategiCom was first established, we had not quite figured out the rules of naming for ourselves, let alone our clients. If we had to start over, you can bet your last dollar we would pick a two-syllable brand name. Well, at least you are benefitting from the lessons of our mistakes.

What about the one-syllable name? Maybe it is better to work with a monosyllable, which is as short as it can get? We have created some monosyllabic names for our clients, the most notable being VeeV, which is Singapore's first Internet Protocol TV (IPTV) player to be granted a niche IPTV licence by the Media Development Authority. VeeV is a contraction of Virtual Edutainment for Everyone. Monosyllabic names are great but a lot more difficult to concoct. With the explosion of companies and brands in the world in the last 20 years, most monosyllabic names you can think of are likely to have been taken already. Some which I think are great are Shell, Dell, GAP, Guess? and Kraft. They are distinctive and easy to pronounce.

SO, HOW MANY SYLLABLES?

Although I prefer them and 48 per cent of the world's top 100 brands have two-syllable names, you do not have to force yourself to have a two-syllable brand name. As mentioned, a short brand name is something between one and four syllables. The more important factors are whether the name sounds good, is easy to pronounce and memorable.

Mercedes-Benz is a four-syllable name but that is alright because it sounds great. It sounds expensive and exclusive although the cars have become more affordable over the years as Mercedes-Benz has extended its range downwards. With over a million units produced every year, the car is hardly exclusive in the mould of Rolls-Royce or Maserati. Speaking of that, Maserati, an illustrious Italian brand that is now owned by Ferrari (which is, in turn, owned by FIAT), is also a four-syllable name that is good because it is easy to pronounce and exotic-sounding.

If a name is appropriate for the brand, it does not matter whether it is two or four syllables. When I first met Marshall Cavendish, my publisher, in 2005, they asked me if their name was a good one. I said it was. They were not sure because it was long – five syllables – and that violated this particular rule of naming. I told them it was alright because the name was impressive. It sounded like a very well-established and authoritative brand. And it rolled off the tongue very easily – at least for English speakers.

Harley-Davidson and Johnson & Johnson are also five-syllable brand names but they sound good and are easy to pronounce, so they work well. But for a company starting from scratch, I would advise keeping the name no longer than four syllables. If you happen to have a five-syllable name that sounds as great as Marshall Cavendish, Harley-Davidson or Johnson & Johnson, by all means use it. For the rest of us, the general rule of thumb is: The shorter the better.

A LONG AND BOMBASTIC NAME TELLS PEOPLE YOU ARE SMALL

If you were to meet me for the first time and I told you I worked for a company called Global B2B Brand Consultants or Super Duper Global Strategy Consulting, you would probably think, “These guys must be the smallest of the small-timers!” Of course you would think that, if my firm had such a long and bombastic name.

Some of the longest names are used by some of the smallest companies. I am not sure why, but I think it might have something to do with human nature. We are basically insecure creatures and when we are small, we want to look like we are big; hence the big-sounding name.

You should avoid those names because they will do you no good. If you are a logistics company with a name like Top Universal Logistics & Express Corporation and you are not a multi-billion-dollar logistics corporation like FedEx, you are just creating the perception that you a small fry trying to act big. You know how the smallest dogs make the most noise? It seems the smallest companies also try to do the same with long and bombastic names.

That is a mistake to avoid. The way to create the perception that you are a big (or at least a credible) organisation is to have a short and punchy brand name. Look at some of the biggest brands in the world across different industries – the likes of Intel, Google, Red Bull, Hertz, Exxon, etc. They all have short and punchy names!

WHAT DO YOU DO WITH A LONG NAME?

There is a saying, “You can choose your friends but you can’t choose your family”, which reminds us that many CEOs today are entrusted with companies with very long, unwieldy names not created by them. Many have told me, “If we engage StrategiCom as our brand consultant, we will give you a free rein to do what you want but there are two things you cannot touch. You cannot change our name or logo because the founders will have none of that.” You can’t choose the name you were born with but you can certainly change it to a shorter one.

1. Use A Contraction

I once saw a cartoon of a Tyrannosaurus Rex lamenting to his friend that he could not get another dinosaur to date him because his name was too long and unpronounceable for all the female dinosaurs. The caption said, “The

Real Reason Dinosaurs Went Extinct.” That cartoon is far removed from reality but it highlighted the kind of difficulties you can run into with a name like Tyrannosaurus Rex. How many of you can pronounce that properly, anyway? Even for those of you who can, you probably made a few attempts to get it right. And I would bet (if I were a betting man) that by the next day, you would have forgotten the name.

If Tyrannosaurus Rex had engaged me as his brand consultant, I would have advised him to shorten his name using a contraction. He could simply be known as T-Rex, which would make him sound so cool. And he would have been way ahead of his time with a name like that. After all, you get a lot of very hip celebrities these days with funky names – the rapper with the name Ice Cube and the wrestling star called The Rock, for instance. If you have a long name, you can use a contraction to shorten it while maintaining a link to the original. A name like T-Rex is short and sweet and cool but still linked to the original name of Tyrannosaurus Rex.

Sometimes, companies get lucky. They have such a great brand idea that their customers go out of their way to create a contraction for what is a long brand name. Federal Express had a great brand idea: overnight letters. With its rallying cry of “When It Absolutely, Positively Has To Be There Overnight”, Federal Express quickly carved out its own space in the logistics industry. It became common and even trendy to say things like, “I need you to FedEx this to LA for me ASAP” because it made it sound like you were doing a really important job if you needed to FedEx something.

Over time, Federal Express adopted the contraction and became FedEx. It is a very nice name, I think. FedEx is a name that sounds like it is in a hurry. It gives the perception of speed. I do not get the same kind of buzz from names like DHL, UPS or TNT. I also think FedEx is helped by the fact that it has one of the most striking and intelligently designed logos of any brand in the world. The use of purple and orange adds to the sense of urgency. But the real killer is where the ‘E’ joins with the ‘x’: It actually forms a thick, white arrow that is pointing to the right, thereby subconsciously creating the perception of speed. Brilliant piece of visual work, FedEx! I have also seen another logistics brand called DPEX whose logo has two arrows instead of one. Check it out and decide which you like better.

American Express is a six-syllable brand name that could do with some shortening especially in the busy world of business. Of course, you know

what American Express could be shortened to, right? Amex! Short and sweet, and still linked to the original name.

Coca-Cola is the world's most valuable brand but very few of Coca-Cola's customers call it that anymore. It has become Coke. McDonald's is the world's largest restaurant chain and also the brand that made the concept of franchising a big thing. When I was studying in the States, I noticed that many of my American friends referred to McDonald's as McD. "Coke" and "McD" are examples of nicknames people give to brands they know well. The original names are not long but even so, they have been contracted.

I read somewhere that Lexus is the short form of Luxury Export USA. If that is true, the people at Lexus have done a great job. Besides being just two syllables, the name creates the perception of prestige. Although many people still perceive Mercedes-Benz as the more prestigious brand, we should not forget that for a brand so young (Lexus was launched in 1989), Lexus has moved up the luxury car market really quickly. It has been the best-selling luxury car brand in the United States since 2000, selling in the region of 300,000 cars a year. Mercedes-Benz is also a brand whose fans have contracted the name. Many people affectionately refer to the three-pointed star as a "Merc".

When I was studying in the United States, some of my best friends there had superbikes. One rode a Suzuki GSX-R750. What a mouthful. I used to ride pillion on this Suzuki during the summer months. We would blast from standstill to over 220 kph just for kicks. Yes, I was once a young and reckless daredevil but that is not the point of this story. The Suzuki GSX-R750 was a success despite its long and difficult name because the bike looked great and went really fast. But owners and even Suzuki dealers started using a contraction: It became the "Gixer". Nice.

In the same way, fans of the World Rally Championship-winning Subaru Impreza WRX STI simply called the car a "Rex". Not to be outdone, fans of the Rex's main rival, the Mitsubishi Lancer Evolution X, also created their own contraction for their champion, but their job was a lot easier and required less imagination. They simply called the car an "Evo X" (pronounced as "Evo Ten" as this was the 10th generation of the Mitsubishi Lancer Evolution series).

2. Change The Name

Sometimes, no matter how hard you try, it is just impossible to shorten a name using a contraction. If so, I suggest you take the bold step of changing

the name. It takes courage because changing a name involves risk. What if the new name is not well-received? This could result in a loss of business. When you change the name, you need to test it properly to arrive at one that is shorter and better in every sense. And, tell the story behind the change to your customers, employees, investors, distributors and even the media. It is an opportunity to reconnect with all these stakeholders.

One of our clients is a company called Ace Dynamics Limited, a publicly listed company on the Singapore Exchange that is a system integration specialist for gas and welding solutions. From the Perception Audit, we discovered many of Ace Dynamics' external stakeholders found the name could be confused with that of other companies, because there were other brands using the words "Ace" or "Dynamics". Although customers were very happy with the service provided by Ace Dynamics, the CEO felt the company should not make things more difficult than absolutely necessary and decided to change the name. After much research and testing, the name the client chose was of two syllables: Leeden, which is short, easy to pronounce and strong. When translated into Chinese, it means "to encourage and to support".

The name change gave Leeden a golden opportunity to tell its story to its customers, distributors, principals, the media, the financial community, investors, employees, etc. In fact, the launch of Leeden attracted 120 journalists and financial analysts, as well as TV spotlights. This kind of publicity is priceless. So, a change of name is not something to be feared if the new name is better in every sense. A change of name can also provide an opportunity to galvanise the entire organisation towards a common goal, and that was what Leeden did. There is a complete case study on Leeden at the end of this chapter.

3. Do Not Just Make It Visually Shorter

Although a visually shorter name usually has fewer syllables, that is not always the case. When we first started StrategiCom, the company was meant to be Strategic Communications Asia but we knew immediately that was too long. So, we shortened it to StrategiCom Asia.

Still too long. One suggestion was to shorten it further to SC Asia. I did not like the name because it had a set of initials and initials can mean anything or nothing. SC could mean Singapore Contractors, Star Cabins, Single Chick and much more. No go. I also did not want the word "Asia"

as we have associate offices in Europe, USA, Australia, Africa and the Middle East.

But the biggest problem with SC Asia was that it was no shorter than StrategiCom. StrategiCom is visually longer but it has four syllables, as SC Asia does. SC Asia was no shorter and it was a weaker name. So, we dropped Asia and became StrategiCom. I think the design team has done a great job in turning that name into a nice and solid-looking logo.

In an *Advertising Age* article entitled “From Famous Advertising Name To Meaningless Initials”, Al Ries wrote that many famous advertising agencies such as Doyle Dane Bernbach and Foote, Cone & Belding have shortened their names to meaningless initials such as DDB and FCB. DDB and FCB can actually mean anything or nothing at all. That is the problem with initials.

Ries also wrote that advertising agencies tend to be visually-oriented organisations (no surprise since a lot of the work they do is visual in nature) so when they shorten their names, they tend to shorten them visually and that means the use of initials. The disadvantage is that people remember brand names by the way they sound, not the way they look.

It is more important that the name is verbally, rather than visually shorter. According to Ries, long names like Doyle Dane Bernbach and Foote, Cone & Belding should be shortened verbally to Doyle Dane or Foote Cone. The problem I see with such an approach is that Mr Bernbach and Mr Belding might get really cheesed off.

Whatever you do to shorten the name, just remember you must make it shorter verbally. If, in the process of doing so, the name becomes shorter visually as well, then so much the better.

There was another famous advertising agency that Ries quoted: J. Walter Thomson. The founder was James Walter Thomson, who bought a company called Carlton & Smith in 1877 for US\$500.³⁶ Carlton & Smith specialised in selling advertising space in religious magazines. James Walter Thomson renamed the company the J. Walter Thomson Company, and that was the birth of an advertising legend.

The company changed its name to JWT in 2006 – a visually shorter name that uses initials. Not a very good approach because it had the same problem we faced with SC Asia. J. Walter Thomson is a five-syllable name

³⁶ http://en.wikipedia.org/wiki/James_Walter_Thompson

and Ries correctly pointed out in his article that JWT is also five syllables long! “J-Double-U-T” is exactly five syllables. Verbally, it is the same length as J. Walter Thomson. It might have been better as J. Walter or Walter Thomson.

The other problem with shortening the name using initials is that there is a high chance those initials would already have been taken by another company. Just out of curiosity, I went to the ACRA (Accounting & Corporate Regulatory Authority) website (www.acra.gov.sg) and typed in random initials to see if there were companies using those initials.

This what I found:

- 172 companies use the initials ABC.
- 43 companies use the initials ECP.
- 11 companies use the initials TKG.
- 14 companies use the initials BBC.
- 6 companies use the initials WTK.
- 13 companies use the initials CNG.
- 8 companies use the initials GHK.
- 11 companies use the initials TNN.
- 6 companies use the initials WTO.
- 22 companies use the initials HTL.

This is just in Singapore alone. The further out you venture, the higher the chance that somebody is already using the initials you want. By the way, the Accounting & Corporate Regulatory Authority uses its initials as its brand name but that is alright because those actually form a two-syllable word: ACRA. Most people have no idea what the full name of ACRA is. It is just “ACRA” and that is fine.

4. Give It A Figurehead Role

Sometimes, the long name that is hampering your growth has been with you for such a long time that it is difficult to let it go. I can understand that. The name has a lot of heritage behind it. You have been through thick and thin with it. You do not want to just kill it. What do you do then? Well, there is a way to preserve the name but still get it out of the way of your company’s growth.

You can give that name a figurehead role. Make the company with the long name into a holding company and incorporate a different company – or a few companies – to take on the operating roles. That way, the company with the long name could still be around and be the proud owner of a number of brands, yet not get in the way. It would allow you to build up the various business units with the superior names into successful brands.

The United Technologies Corporation is a company with a long name but it is still hugely successful because it owns a number of brands that are highly focussed in their categories and have great brand names. United Technologies Corporation is a B2B company most of you would not have heard of; still, I am sure you would know some of its subsidiaries: Carrier (a leading air-conditioning brand), Pratt & Whitney (a leading jet engine manufacturer), Sikorsky (a leading brand for helicopters), Otis (the No. 1 elevator and escalator brand in the world) and Hamilton Sundstrand (a leading supplier of aerospace products in the world).

This is a good strategy to use. It frees you up to launch different brands tailored to specific categories or customers but backed up by the financial muscle and reputation of a company with a long track record. But when you do this, our usual recommendation is to remove the original company from any operations. Transfer the operations to another company with a shorter, better name. This could be tricky but it can be done and if done well, can be very rewarding.

MAKING IT SHORT DOES NOT MEAN MAKING IT MEANINGLESS

Whether you use a contraction to shorten a name or you create a new shorter name, you have to remember that the shortened name must still be meaningful especially if you have a brand that has been around long enough to have built up a certain perception in the minds of your customers. If you are not careful, you could end up causing more harm than good.

In an article entitled “Consignia: Nine Letters That Spelled Fiasco”,³⁷ BBC News Online’s business reporter, Mike Verdin, wrote that Consignia is “the most ruinous decision since the biblical scam that saw Esau swap his birthright for a bowl of stew”. In case you are not familiar with this rebranding exercise gone wrong, Consignia was the new name created for The Post Office Group of the United Kingdom.

³⁷ <http://news.bbc.co.uk/1/hi/business/2002480.stm>

According to the creator of the name, “It’s got consign in it. It’s got a link with insignia, so there is this kind of royalty-ish thing.” However, judging by the public outcry in the UK, Consignia did not receive the kind of royal treatment it was hoping for.

There is actually nothing wrong with the name per se. It is shorter than the original, relatively easy to pronounce, and was created with the intention of giving The Post Office Group a more modern image. However, the one thing they forgot was that The Post Office had been around for a long time and had built up a strong link with its customers. Ditching the name in favour of a made-up name like Consignia that does not mean anything to its stakeholders was always going to be a risky thing. When you introduce a new name, that name must be meaningful to your stakeholders. You have to articulate that clearly. What is Consignia? What does it stand for? What does it mean?

It seemed that the Consignia name drew more flak than the German bombers invading England during World War II. As a result, it was eventually dropped. The new name? Royal Mail Group. Now, that is a great name. It sounds regal, authoritative and it tells people exactly what the brand is. The problem is that with a name like Royal Mail Group, the company cannot extend easily into other types of services it wants to engage in, such as cash management services or logistics services. Well, the solution can be found in *Transforming Your Business Into A Brand*, where I talked about the need to launch a different brand when a mature company is expanding into a new category. To compete in the logistics business against the likes of DHL and UPS, the Royal Mail Group needs to launch a new brand or acquire a logistics company. Line extension using the Royal Mail brand is not an easy thing to pull off and will eventually dilute the focus of the brand and its power. Perhaps Consignia should have been used as the logistics arm of The Royal Mail Group right from the start. It might have worked better but now, we will never know.

CAN A LONG NAME STILL WORK?

The rules of naming are not cast in stone. They are just useful guidelines that will help business owners and branding managers make better decisions on what to do when a new name is needed. As with most man-made rules, there are often exceptions. Although you should always strive to create a short name of between one to four syllables, a long name could also work, provided it has meaning and is memorable. It is a very difficult goal to achieve.

I Can't Believe It is Not Butter is a brand of margarine launched by Unilever in 1991. It is an eight-syllable brand name and I can't believe the company actually came up with a name like that. But the brand is still around and still doing well, so here is one example of an overly long brand name that seems to work. But, do not forget, this is a brand supported by a substantial advertising campaign.

There are a few reasons why I Can't Believe It is Not Butter works. The first is that it tells people it is not a butter product (and butter is perceived as unhealthy and fattening – although I read that margarine is not great either, health-wise) and yet it tastes good. The second is that the name is audacious enough to actually become quite memorable. The third reason is that I Can't Believe It is Not Butter is unlike any other name in its category. That allows it to stand out. Finally, Unilever also markets the brand aggressively with advertising campaigns, sponsorships and the like.

A long name can work if there is nothing else like it in the category; it conveys enough meaning and is quite easy to pronounce despite its length. So, if nobody else in your business has a name like I Can't Believe It is Not Butter you can try it. But be very careful. It might work. Or it might just blow up in your face.

In a nutshell

Scientists have discovered that the human mind can only hold seven bits of information at any one time and as a result, the longer your brand name, the harder it is to remember. That is why when people are presented with long brand names, they do one of two things: They shorten the name if they like the product or the service. Coca-Cola becomes Coke. Mercedes-Benz becomes Merc. Federal Express becomes FedEx. But you should make things easier for your customers by making the name short in the first place. Two, they will simply forget the name and buy from someone else.

The name should be between one to four syllables long. Long names can work but circumstances in which this happens are hard to come by. Long and bombastic names also tell people you are actually small. So, if you have a long brand name, try to shorten it using a contraction or by creating a new name. A long name might work if there is nothing else like it in your category but long names that work well are the exception rather than the rule.

CASE STUDY

Leeden Limited

Leeden Limited was formerly known as Ace Dynamics Limited. The company was incorporated in 1964 and listed on the Singapore Exchange (SGX) as early as 1975. Its core business is in gas, welding and safety equipment, but over the course of its history it has diversified into other sectors such as property management services, residential property development, multimedia and entertainment. After a rebranding that was concluded in 2007, the company refocused its core business on welding, gas and safety equipment, which is what it is best at and also what made it famous in the first place.

Ace Dynamics' customers are mainly from sectors such as oil and gas, shipbuilding, ship repair yards, automotive, metalwork fabricators, electronics manufacturers and gas dealers. Other than Singapore, its key markets include Malaysia, China and Indonesia. It also has a distribution network that covers Thailand, Brunei, Myanmar, the Philippines and Vietnam.

Ace Dynamics used to distribute only principals' products. Over time, as the company built up its track record and expertise in welding, gas and safety equipment, it developed its own proprietary products to give customers more choice. The company's proprietary products are sold under two different brands: Blue Power, for welding accessories, and Bondflex, for abrasives. Both are great brand names but the focus of this case study is the parent brand: Ace Dynamics.

The Diversification Drive

Like many companies, Ace Dynamics diversified its business in search of growth. This is a common phenomenon among many Singapore companies because the tiny size of the local market often means companies will outgrow the market very quickly. When this happens, there are two things companies can do: expand into new markets outside Singapore with the same products and business model, or diversify into other businesses within Singapore. Ace Dynamics chose the latter route.

Diversification has its pros and cons. While it can give companies a boost in growth in the short term, it also dilutes the focus of the brand and hence, in the long run, its hold on the customers' minds. Fortunately for Ace Dynamics, it has a visionary and highly energetic CEO: Steven Tham, who personally led the company's rebranding exercise. This pivotal project refocused Ace Dynamics on its core business and transformed the company's broad business intents into a clear brand strategy that provided Ace Dynamics with its future direction. It also helped Ace Dynamics define

its key competitors' strengths and weaknesses, as well as how it could be effectively differentiated.

Tham was very clear on the importance of the brand's differentiation strategy. He often emphasised that the brand should have a clear differentiation strategy, otherwise it would be difficult to inspire the people of Ace Dynamics to become committed brand ambassadors. I totally agree. If your brand is not clearly differentiated, how would you communicate the brand to your own people, let alone your customers, distributors, the media, the financial community, investors and other external stakeholders? Tham wanted to build a strong brand from the inside out, one employee at a time. He also believed in what Peter Drucker has said of the role of a company: that a company's purpose is to create an environment that allows ordinary people to do extraordinary things. With a clearly differentiated brand, that goal can be more easily achieved because employees will know what to do almost instinctively.

For example, Ace Dynamics eventually chose *specialisation* as its differentiation strategy. It decided to be an integration specialist in its core business, instead of just distributing products. This strategy was captured in the company's new tagline, "The Integration Specialist For Welding, Gas & Safety." It is hardly the sexiest of taglines but it gets the job done. Just looking at it reminds the company's management and employees what the brand stands for and everything they do must be in line with their tagline and enhance the company's position as an integration specialist. But that was only part of the problem solved.

The Problem With The Name

When StrategiCom conducted a Perception Audit on Ace Dynamics' external stakeholders, it found that while most of them perceived the company to be doing a good job delivering on its promises, more than half – especially the financial analysts – did not think highly of the name. When asked what they did not like about it, the majority answered that it was nondescript and common-sounding, which makes it hard for the brand to have top of the mind awareness and recall.

When the findings were presented to the senior management of Ace Dynamics, Tham was quick to suggest that since the name was potentially a liability, they had better change it. StrategiCom was commissioned to create a new name that could overcome the disadvantages of the existing name. This gave the project team a chance to use StrategiCom's proprietary naming methodology, Phero™, of which the 10 Rules Of Naming are just a small part.

The naming project was fraught with many obstacles. Even though we managed to create a number of promising names, none passed the final test – which was that the name had to be language neutral and religion neutral (*this is Rule No. 10 of Naming, which we will discuss later on page 270*). However, the team eventually came up with a winner: Leeden. This did not meet Rule No. 5 of Naming. It was not the most unique of names in the world. However, it was unique in the category of welding, gas and safety equipment, so we allowed it. The client was aware of this but they too thought that the name was entirely appropriate.

The Birth Of Leeden

How did the name come about? It was inspired by the company's philosophy. Tham and his team had said there were two very important things to them:

1. To *encourage* their colleagues to do better and be better. When the company's people do better, everyone benefits. I love this philosophy. Peter Drucker would have been proud.
2. To *lift* their customers' businesses to greater heights. When their customers do well, they will do well. This is the same philosophy Ray Kroc used to turn McDonald's into the world's most successful restaurant chain with an annual turnover of around US\$23 billion but to Kroc, his customers were the people who ate at McDonald's, as well as his franchisees.

StrategiCom's project team took the second part of the two Chinese words that mean "encourage" and the first part of the three Chinese words that mean "lift up" and Anglicised them to create the name Leeden. The name captured the spirit of the company's philosophy: to encourage its people and to lift its customers' businesses. And we could create a brand story around it, which actually would make it easier for the name to be remembered. By comparison, Ace Dynamics did not have such a romantic story behind its birth. It was also made up of two generic words, so it was harder to hammer that name into the mind.

At the launch of Leeden Limited at the prestigious Tower Club in the heart of Singapore's business district, more than 120 financial analysts and reporters turned up. The new brand also got plenty of coverage in the media, including a 30-minute television interview with Steven Tham on *Channel News Asia*.

So far so good. Leeden is a name that meets all the rules of naming and has a great brand story behind it. If the company continues to deliver on its brand promise of being “The Integration Specialist For Welding, Gas & Safety”, the Leeden name will go far.

CHAPTER 08

**Rule No. 5 –
The Name Must Be Unique**

OF all the Rules Of Naming, this is probably the most difficult because the world is not what it used to be. In a United Nations report entitled, “The World At Six Billion”, there was a table showing how the world’s population has grown over the years.³⁸ In 1900, the world’s population was 1.65 billion people. It would be fair to say that the number of companies in the world at the time would be lower than today, which means it would have been easier to find a unique name for your brand or for that matter, your children.

The world’s population grew to 2.52 billion people in 1950 – an increase of 52.7 per cent. The number of companies would have increased correspondingly to support this growth. So, in 1950, it would have been a lot harder to find a unique name if you had started a business that year. In 2000, the world’s population stood at 6.06 billion people – a sharp increase of 140 per cent. By 2020, it is estimated that global population will have grown to 7.50 billion people.

As the number of people increases, the number of companies will also increase. As the number of companies increases, it will become harder to create a unique name for your brand. Many of the names you can think of would already have been taken. If you do not believe this, imagine you are trying to set up a new company, then try to create a name for it. Do a search on Google and Yahoo! for each of the names you come up with. You will find, more often than not, that someone, somewhere in the world, is already using that name.

Finding a unique name is very hard but absolutely necessary. Without a unique brand name, you are going to have a really hard time building the brand. Remember that in the long run, a brand is nothing more than a name. Your competitors can copy all your great ideas but they cannot copy your brand, and the first contact point customers have with your brand is usually through your name. That name should be unique to you so that customers can identify your brand from all the others out there.

³⁸ <http://www.un.org/esa/population/publications/sixbillion/sixbilpart1.pdf>

As the process of creating a unique name no more than four syllables long is increasingly difficult, you will need a systematic method to go about it. That is why naming agencies are mushrooming all over the world. But even with professional help, it is not easy to get a unique name; different naming agencies could still come up with similar-sounding names.

So, what do you do? Given the situation, we have found it is sometimes necessary to compromise. The ideal name is one that no one else in the world has, but if you come up with a name that is really suitable yet not entirely unique, we suggest you narrow the qualifying criteria for uniqueness to just your industry or category. If the name is unique to you within your industry – meaning that not one of your competitors is using that name – it becomes acceptable.

We have also encountered situations in which we create a name the client really likes but it does not pass the test of uniqueness: There are other companies elsewhere in the world using the same name. In such cases, we weigh the pros and cons of using that name versus creating another that might not be as good. The litmus test would be an analysis of the client's key competitors, to see if any had a similar name. If the answer were no, we would use the name.

However, we would also need to qualify that name by attaching the category name behind the brand name. For example, one of our clients is Aetos Security Management. Aetos was set up in 2004 from the amalgamation of the auxiliary police forces of three organisations – Changi International Airport, Port of Singapore Authority and ST Kinetics, which manufactures firearms among other things. We did not create the name. The client chose it because it is the Greek word for "eagle". We liked the name very much although there were some within Aetos who were not sure about it. The name is totally appropriate. As a security company, Aetos needs to be eagle-like – sharp, alert and quick. It also has a reputation to upkeep: It is the only security company licensed to carry firearms that has been given a Grade A rating by the Security Industry Regulatory Department.

Although there were other companies in the world using the name Aetos, none were in the security business as far as we could tell. So, we recommended that the client keep the name. To differentiate itself from the Aetos in the business of investment management, our Aetos needed to attach the word "Security" behind its name to identify itself. That was no hardship, we felt. The name was strong and highly suitable, so it was okay to make such a compromise.

A UNIQUE NAME IS ALSO A FORM OF DIFFERENTIATION

In *Killer Differentiators*, I defined branding simply as differentiation, because that was how branding came about 4,000 years ago. In those days, cattle owners needed an effective way to tell each other's cows apart, so they invented branding (although I am pretty sure they did not use the term "branding" to describe the process back then).

In the branding process, an iron rod that has the owner's logo or initials on one end is heated up in fire until red hot, then used to singe a unique identifying mark on the backs of cows. That is why there are still many people who mistake branding for logo design. Yes, it did originate with a logo but that logo was there for a purpose – to differentiate cows. Four thousand years later, although the use of branding has spread to products, services, companies, government agencies, non-profit organisations, countries and even people, its function has remained the same and that is differentiation.

When a company says it wants to do branding, my colleagues and I usually ask, "What is your definition of branding?" Many of these companies are actually looking for advertising or a new logo. Branding is about differentiation, and that is the most critical part of any branding project. If your customers do not perceive any difference between you and your competitors, they will just buy from whomever is cheaper. And the cheaper brand may not always be yours. We have developed 13 strategies that can be used to differentiate any product or service in any market. We always tell clients that quality, service and people are no longer differentiators because their customers have come to expect these things of them.

Having a unique name is not one of the 13 differentiation strategies because it is very difficult to differentiate based on the name alone. For the name to become a strong brand, it should work in conjunction with the 13 differentiation strategies. Having said that, a unique name will go some way towards helping to differentiate your brand, especially in a crowded marketplace where everyone else seems to be having the same kind of boring name.

Apple

Computers are serious things and the dominant computer company in the world has an equally serious-sounding name – IBM. Other computer companies do, too, like HP, Compaq, Sun Microsystems, Dell, Digital Equipment Corporation, Texas Instruments, Cray, Acer, MITS Altair, and so on. If you pitch your new

computer company into a market full of names like these, you would do well not to copy them. Coming up with a name that is unique would help you differentiate your brand to a certain degree. That was what Steve Jobs did with Apple.

Of course, having a great name alone was not enough. Apple had to continuously deliver on its promise of beautifully designed computers that were very user-friendly and, by and large, it has delivered on that promise since its inception on 3 January 1977. It did so even during its darkest years when Jobs took a sabbatical to start a new computer company called NeXT and invested in what is today's No. 1 animated movie studio, Pixar.

Voodoo

Many years later, another computer company would take a leaf out of Apple's rule book. In 1991, Voodoo PC was set up. Voodoo is a new breed of computer company that makes high-end luxury computers, some of which sell for as much as US\$14,000.³⁹ HP acquired the company in 2006. Voodoo is a striking and unique name for a PC, which helped differentiate it from its competitors.

Alienware

Another relative newcomer to the computer scene is Alienware, which specialises in powerful, custom-built gaming PCs. And I think it has a great name: Alienware conjures up images of epic battles with invading aliens – very appropriate for a high-end gaming PC. The name is also unique to this computer company and as a result, it helped differentiate the brand from others. Did I also mention that the computer's design is drop-dead gorgeous? Alienware was acquired by Dell in 2006.

Yahoo!

Before Yahoo! burst onto the Internet scene, search engines had names such as Excite, Alta Vista, Infoseek, Lycos, WebCrawler, HotBot and Metacrawler. Jerry Yang came along with his search engine and called it Yahoo!, which immediately differentiated this start-up from the rest. On the Internet, the name is even more important. If it is not unique and memorable, it will not stand out. At the time of Yahoo!'s launch, it was a very unique sort of name in search engines. The rest is history. But Yahoo!'s success also inspired a host of start-ups with striking names like Google and Facebook.

³⁹ http://en.wikipedia.org/wiki/Voodoo_PC

Orange

Another fruit-based name. Orange is a British telecommunications company (telco). The names of companies in this space tend to be quite boring, so it is refreshing to see one break out of the industry's boring shell with an unusual name like Orange. Yes, there are other companies in the world using the name Orange but so far, we have only seen one telco using it. That is great, because it has helped to differentiate the brand. I have also seen a Hong Kong-based telco using the name Sunday. It is, again, unique among the stately names in Hong Kong's telco industry such as PCCW.

BlackBerry

A new kind of mobile phone needs a new kind of name. BlackBerry was the world's first dedicated push mail phone. The concept alone was enough to differentiate the BlackBerry from other phone brands such as Nokia, Motorola and Samsung, but BlackBerry's parent, Research In Motion (RIM) gave it another ace with a unique name like BlackBerry. BlackBerry is still the world's bestselling e-mail phone, and the name has become synonymous with push mail the way Xerox is synonymous with photocopier and Kleenex with tissue.

A UNIQUE NAME MAKES IT EASIER FOR YOUR BRAND TO TRAVEL

Many of you travel extensively to different parts of the world for business. You are probably quite at home whether you are in Tokyo, Sydney, Dubai, Shanghai, Zurich, Moscow, Sao Paolo, or any other city for that matter. One of the reasons could be you are a highly adaptable creature. There is another reason most people do not think about: the dominance of global brands. Everywhere you go, there is a high chance the dominant brand in that market is a global brand.

In computers, you will find HP and Dell almost anywhere in the world. In fast food, you will find McDonald's in more locations around the world than any other restaurant chain; in fact, no one else comes close to challenging McDonald's dominance. It is truly a global brand. Starbucks dominates in coffee chains; Microsoft in software; Intel in computer chips. The likes of Ernst & Young, KPMG and PWC dominate in accounting. Toyota dominates in cars. HSBC is everywhere and bills itself "The World's Local Bank". Otis elevators move the equivalent of the world's entire population every week. Bosch power tools are found in far-flung corners of the world. Everywhere you turn, there is a good chance the dominant player in a particular category in a local market is a global brand.

What this means for you is simply this: If you are not already a global brand, it is high time you think about going global. The world of commerce has become too globalised for you not to be thinking about taking your brand global. It may take a long time but if you do not get started right away, it will take even longer when tomorrow comes. With world markets opening up one by one and trade barriers between countries being chipped away over time, it is only a matter of time before a global brand shows up on your doorstep – if it is not already there. In the past, it was not as easy. Today, with air travel, giant container ships, free trade agreements, the gradual move towards a global currency (at this point it is still a toss-up between the US dollar and the Euro) and the Internet, brands can cross borders almost seamlessly. You could either become one of these global brands or eventually get overrun by one of them.

To globalise, there are several things you need: good product or service that can be exported with relative ease, good partners in local markets, and money. Every businessman knows that. It is a no-brainer. But not everyone realises that there is yet another thing a globalising brand needs to have, and that is a unique name. A unique name makes it easier for your brand to cross borders. Many clients have told me one of the major headaches they encounter when doing business overseas is that everywhere they go, there is already some local company using their brand name. And since they did not register that name first, things were made difficult.

In such circumstances, companies typically do one of several things:

1. Try to buy that name from the local business if it is not too expensive.
2. Register a variation of the name.
3. Create a new name and make sure it is unique enough to be registered in all the countries they are thinking of doing business in over the next 10 years.

StrategiCom had that problem when we tried to register our Kuala Lumpur office. There was another company there called Strategic Communications. Although nobody in his or her right frame of mind would think the two were the same, our attempt to register StrategiCom was rejected by the registrar of business on the grounds of possible confusion. So, we had to try a few variations of the name. Finally, the authorities gave us the go-ahead to use StrategiCom Consulting (Malaysia) Sdn Bhd.

Having a unique name will make it easier for you to take your brand into international markets. That is why it is so important for you to find a unique name. An expert in this field once said to me, “If you have not already done so, register your brand name in at least 150 of the countries that account for most of the world’s economic activities.” I think 150 countries might be overwhelming for most small and medium-sized businesses, but there is merit in the advice. You should, at least, try to register your name in the countries you think you will do business in over the next 10 years.

In the process, if you find that you can’t register the name in some countries because it is not unique, you will just need to find a unique name. That was the case with China’s biggest computer company, which had to change its name from Legend to Lenovo because Legend was giving them some problems in terms of registration: It was not unique enough. Lenovo, on the other hand, was a unique name.

Many companies have argued that it is expensive to trademark a name and register a company in all the countries they want to do business in but are not ready to start. Consider the alternatives: By not registering your name early, you might find the name no longer available by the time you want to do business in a particular country. That will create a lot of hassle for you. It will slow you down, waste a lot of your time, manpower and money. It is better to get a headstart. If you find you can’t register the name because it is not unique enough, then do a Lenovo: Create a new name that is unique enough to be registered in your key target markets. It is the cheaper and easier way. Do not wait. At a later stage, your brand might be big enough to have valuable brand equity in some markets and a change of name could create chaos. The bigger the company, the more difficult and expensive the name change.

A UNIQUE NAME IS NOT FOUND IN THE DICTIONARY OR THESAURUS

What is the first thing most people do when they need to think of a name for a new company or a new product? Check the dictionary or thesaurus for words they can use. Do not do that. Using a dictionary or a thesaurus betrays your lack of imagination and laziness.

The dictionary or thesaurus can also be used by everyone else – your competitors included. As a result, you will not be able to find a unique name using this method. Anyway, all the words that could possibly be used for a brand name

would probably have been taken, because you would not have been the only one who headed straight for that Oxford or Webster when thinking of a name.

By using the dictionary or thesaurus, you will be wasting a lot of time looking at words you ultimately cannot use. Some companies end up with really weird names because they wanted a certain word that was already taken and therefore, tried to find a substitute word with the same meaning.

The biggest problem with a dictionary or thesaurus-generated name is that it will be extremely difficult for you to build a brand story around the name. Yes, your brand name in itself can be turned into a publicity tool, provided the name is unique and interesting. Brands, especially new brands, need to be built using public relations – and that means getting third parties such as the media (newspapers, magazines, radio stations, TV channels, etc) to tell your story. If you have a unique name and the circumstances surrounding the creation of the name are interesting, the name itself could be the story.

The Story Of The Google Name

A great example is Google.⁴⁰ Although Google makes most of its money from word ads, Google itself has never advertised. It is a brand that was built on public relations and word of mouth. As of 4 June 2008, Google's market capitalisation stands at US\$178.18 billion and its last traded share price is US\$567.30. Although this is a sharp drop from the high of over US\$700 that Google has seen, it is still fantastic by any measure – unless you are one of those who bought Google shares at US\$700. Google is still the No. 1 in search engines and one of the best brands in the world.

I have already told the story of the Google name in Chapter 5 (pages 83–84). What I want to say here is, sometimes that unique and magical name can be created by accident. Despite companies' best efforts to come up with unique names that are just perfect, providence sometimes lends a helping hand. The founders of Google actually wanted to use "Googol", but because one of their first investors wrote the cheque wrongly – to "Google" instead of "Googol" – the founders decided it would be easier to just change the company name to Google.

Because of the uniqueness of Google's name and the fascinating way in which the name came about, a great brand story could be spun. If you have a unique name, you could also try to create a brand story around how that name came about and what it means.

⁴⁰ <http://en.wikipedia.org/wiki/Google>

The Only Good Thing About The Dictionary And Thesaurus

If you insist on using a dictionary or thesaurus to find your name, there are some advantages, which include:

1. You will get the spelling of the name right.
2. You will understand the exact meaning of the name.
3. You will know the correct pronunciation of the name.

But all in all, you would be better off leaving out the dictionary or thesaurus. What about those random name generators? They are supposed to generate random names based on key words you input into the software. The thinking is that since the words are randomly created, there is a higher chance you will be able to find a unique name. In theory it sounds great, but we have found that in practice, the results are not as great as expected.

My firm bought one of these random name generation software packages. It was quite a sophisticated one. We put it to work on a couple of naming projects, and one of our project consultants assigned to a naming project almost went berserk using it. The problem is that these random name generators will spit out a few hundred thousand names based on the parameters entered – such as number of syllables, number of characters, key words or letters to omit. It takes, on average, four full days to run through all these names and check if someone else is already using them.

After sifting out the more unique names, we still needed to tweak them manually and test them. It was a very tedious process. We decided to shelve the system and rely on good old-fashioned human ingenuity for naming projects. The machine is there as a last resort but so far, we have found that putting the human brain at the centre of our naming methodology is the best way to create unique and powerful brand names.

I was more than happy to junk the random name generator because I have always held to the belief that the best computer in the world cannot beat the human brain. After all, the most powerful supercomputers and artificial intelligence systems were created by humans. So, do not underestimate your ability to create great brand names. Get rid of that dictionary, thesaurus or random name generation software and start taking matters into your own hands, or engage someone else to do it for you if you are too busy.

A UNIQUE NAME NEEDS TO BE MANUFACTURED

To get a unique name, you will have to do some work. Products are not the only things that need to be manufactured; brand names need to be, too. A manufactured name is one that is made up, created from scratch. With the world of business being so crowded and with new companies sprouting up daily, it is not easy to find a unique name sitting around just waiting for you to claim it. You have to create your own name. How?

Combining Two Words

You can take two existing words and join them together to create a new word or, rather, you can take a part of each word to create a new name. For example, when the technology consulting firm Andersen Consulting had to spin off from the accounting firm of Arthur Andersen, it needed a new name and it created one from scratch: Accenture, which came from the new firm's new direction, "accent on the future". It took the word "accent" and added the "ure" from "future" to create the name.

This is one way to get a unique name, and you do not necessarily have to use English words. You can use words from other languages or a combination of languages. But you have to make sure the name is somehow able to conjure up a certain meaning, like Accenture – "accent on the future". With a name like Accenture and how it came about, you could also create a nice brand story around the name.

Sony is also a brand name that was created from a combination of two words, except it took part of the Latin word "sonus", meaning "sound", and part of the English word "sunny". This is quite a common method of creating new brand names today, but you have to be careful how you use it. As mentioned before, you need to make sure the name comes out sounding good and can conjure up a certain meaning so that you have a story to tell.

Anglicisation

One way to create a unique name is through the process of Anglicisation: You take a name that is not English in origin and make it sound English.

Ya Kun, the most successful kaya toast brand in Singapore, is a brand name that is anglicised. The name of the founder is Ah Koon, but Ah Koon was quite a common name in Singapore in 1944. So, the company modified the name to Ya Kun, which is unique and kind of exotic-sounding. We will talk more about Ya Kun later in the Case Study accompanying Chapter 11 (page 242).

Leeden Limited also got its name from the Anglicisation process. The name Leeden combined two Chinese words: “Lee”, which is taken from the word “to encourage” and “Den”, which is taken from the word “to support”. That created a nice brand story for Leeden to tell its stakeholders.

The Chinese maker of telecommunications equipment, Huawei, also got its name by anglicising its Chinese name.

Many people think of Anglicisation as the process of transforming a Chinese name into English; it also applies to other languages. Many place names are Anglicised. Examples include the Italian cities of Napoli and Milano, known in English as Naples and Milan, the German city of München (Munich), the Danish city of København (Copenhagen), the Swedish city of Göteborg (Gothenburg), the Dutch city of Den Haag (The Hague), the Spanish city of Zaragoza (formerly Saragossa), and a number of Arabic-speaking places, like Cairo (Al-Qāhira).

Add Something To Your Name

Osim is a famous brand of massage chairs, known for its sleek designs and premium pricing. The name came from its founder, Ron Sim. The company simply added an “O” to the founder’s surname. The letter “O” was chosen because it looks like a perfect circle – complete. It also represents the company’s global ambitions. This is another method you can use to create a unique name: Add something to the front or back of your name.

Using Scientific Names

The pharmaceutical industry is well-known for the ability to come up with short and unique brand names like Valium, Viagra, Prozac, Lipitor, Botox and such. You can use the scientific name of something to create a unique brand name, although not all brands of drugs are created this way. Some are just made up. Who comes up with all these complicated-sounding scientific names such as benzodiazepine or chlordiazepoxide in the first place? Scientists, I suppose. These are complicated-sounding but they can be simplified or contracted.

Botox is one example of a brand that uses a simplified version of its scientific name. Botulinum toxin is a neurotoxin protein produced by the bacteria, *clostridium botulinum*.⁴¹ It is one of the most poisonous naturally-occurring substances in the world, and it is the most toxic protein. Although it is highly toxic, it can be used in minute doses both to treat painful muscle spasms and

⁴¹ http://en.wikipedia.org/wiki/Botulinum_toxin

as a cosmetic treatment to reduce lines and wrinkles in the face. The name “Botox” is a great one. It has links to its main active ingredient and is unique as well. Other brands competing with Botox use names such as Dysport and Myobloc, but I think Botox is the superior name.

A UNIQUE NAME CAN SOUND NONSENSICAL

Wakoopa, Squidoo, Woomp, Renkoo, Eskwela, Zillow, Wega and Wii all sound like nonsensical names toddlers invented, but they are fast becoming the norm in the world of brand name creation. According to Seth Godin, author of *Purple Cow*, every six-letter word in the English language is already taken as an URL and we are closing in on seven. So, to create a unique brand name, naming experts are increasingly turning to nonsensical names. Some are also turning to misspelled names in an effort to be unique – witness Motorola’s RAZR (razor), ROKR (rocker) and RIZR (riser), and brands like Flickr, Grazr, ENV, Scribd and Phrasr.

To quote Danny Altman, creative director of naming firm A Hundred Monkeys: “People are being exposed to so many more brands and the sheer mass is encouraging people to find wacky corners.” A Hundred Monkeys works with Jamba Juice, among other clients.

It would seem that nonsensical names are increasingly becoming sensible options. The trend seems to be not only for made-up names (after all, Alpo, Kodak and Frisbee have been around for awhile), but ones that sound goofy. Finding such a moniker can be a serious challenge. “As a start-up we feel it is quite important to get a name that is unique and stands out in a crowd,” Robert Gaal has said; Gaal is one the founders of Wakoopa, a social networking firm based in Amsterdam, The Netherlands. “The name Wakoopa was just a term that sounded alright in our ears, something cheerful, yet a bit relaxing. Naming your company like this helps when trying to find a decent domain name, but also to track the conversation about our company.”⁴²

EXAMPLES OF UNIQUE NAMES AND HOW THEY CAME ABOUT

There are many famous brands today with highly memorable names, but how these names came about is equally fascinating, if not more so. If you have a name with an interesting story behind it, you can use that to help build the brand. This section will take a look at some famous technology brand names and how they came about.

⁴² Amanda Baltazar, “Silly Brand Names Get Serious Attention”, *BrandWeek* (3 December 2007)

Adobe

Adobe⁴³ was founded in 1982 by Chuck Geschke and John Warnock with a simple mission: to find the best way to translate text and images on a computer screen accurately into print. The two founders met while they were working on device-independent graphics systems at Xerox's legendary Palo Alto Research Center (PARC) in the 1970s.

Adobe is a name most of us are familiar with because we work with PDF documents daily. There are 250 million PDF documents existing on the Internet today, and the world's Top 10 PC manufacturers ship their computers with Adobe's PDF technology pre-installed.

But the PDF is not the only thing Adobe has. Ninety per cent of creative professionals such as graphic designers have Adobe Photoshop on their computers. Adobe Flash Player is installed on nearly 98 per cent of Internet-connected desktops. The Adobe Reader and Flash player are installed on more than 700 million PCs worldwide.

Adobe's 2007 revenue was US\$3.16 billion. It attributes its long-standing success to its innovative corporate culture and skilled employees working in countries around the world. The company ranked 31st on *Fortune* magazine's "Best Places to Work For" list in 2007 – the eighth straight year it has been on the list. It was also No. 15 in "Best Places to Work in India" in 2005.

How did the name come about? Adobe Creek – pronounced "A-Doe-Bee" – is the name of a river that runs behind co-founder John Warnock's house. Warnock was apparently quite fond of that river and chose to adopt the name for his new company. I used to pronounce the name "A-Dope" – honest mistake – until the designers in a multimedia company I used to work for chastised me. Those designers were very fond of Adobe.

Apache

The Apache⁴⁴ web server is famous because of its role in the initial growth of the World Wide Web. It is said to be the first viable alternative to the Netscape web server. The Apache has since evolved to become a serious rival to other brands of Unix-based servers in terms of performance and functionality. Apache's application is available for a wide variety of operating systems, including Unix, FreeBSD, Linux, Solaris, Novell NetWare, Mac OS X, Microsoft Windows, OS/2, TPF and eComStation.

⁴³ <http://www.adobe.com/aboutadobe/pressroom/pdfs/profile.pdf>

⁴⁴ http://en.wikipedia.org/wiki/Apache_HTTP_Server

How did this name come about? Well, there are two versions of the story. The first says the founders chose this name as a tribute to the Apache, which is a native American Indian tribe known for its fierce warriors. Growing up, I watched many Western movies featuring battles between cowboys and Apache warriors. Suspenseful stuff. One of the most fearsome attack helicopters the world has ever seen is also called the Apache. So, strictly speaking, this is not a unique name as the name is used by other brands, but it is unique within its category.

The second version of the story says the name came about because the founders started by writing software patches for the NCSA HTTP daemon 1.3 server – making it “a patchy” server. Interesting. Whatever the reason, it is a great name.

Apple

This is one company that knows all about being cool. Everything it has released since its founding in 1976 has been the epitome of cool. But Apple has also shown it has a knack for coming up with great names.

The world’s first personal computer was the MITS Altair 8800.⁴⁵ It was launched in 1974. Being the first mover, the MITS Altair 8800 should have become the leading brand in personal computers. Unfortunately, it was saddled with a name that was not very exciting. There were also other personal computer brands in the market when Apple launched its version in 1976 – brands such as Commodore Pet, IMSAI 8080 and Radio Shack TRS-80. All were names that were unappealing. Along came the Apple II. Stylish, and it had a name that was differentiated and easy to remember. Guess who won the personal computer war?

Today, Apple is a highly successful multi-billion-dollar giant. In 2007, it chalked up revenue of US\$24.01 billion with a net profit of US\$3.5 billion, giving it an enviable profit margin of 14.6 per cent.⁴⁶ It also employs around 20,000 people. As of 5 June 2008 (the time of writing), Apple’s share price stands at US\$189.43, giving it a market capitalisation of US\$167.01 billion.⁴⁷ That is huge by any standards.

Apple also came up with a host of other catchy names such as the Macintosh, iMac, MacBook, iPod, iTunes, QuickTime and others. In fact, Apple popularised the use of the lower-case ‘i’ as a prefix to brand names. But how did the Apple name come about? Apparently, the apple is the favourite fruit of

⁴⁵ Al Ries & Jack Trout, *The 22 Immutable Laws Of Marketing*, Harper Collins (1993)

⁴⁶ http://en.wikipedia.org/wiki/Apple_Computer

⁴⁷ <http://uk.finance.yahoo.com/q?s=aapl>

Steve Jobs. He and his colleagues were in an apple orchard trying to think of a name for the new company they were going to set up but it was a struggle. Jobs threatened to call the company “Apple” if his colleagues could not come up with a better name by five o’clock that fateful day. That was how the name came about.

I think it is a great name. All the other computer companies had techie-sounding names that were boring as well as intimidating. Apple created a computer that was easy to use and the name Apple was spot-on because it was friendly. It was not a unique word, yes, but it was a unique name among computer companies.

A name like Apple, when used out of context (Apple does not sell apples), could – and did – become unique. A couple of companies took their cue from Apple many decades later by having fruity names. One of them is Mango, the Spanish fashion brand, and the other is Orange, the British telecommunications giant mentioned earlier.

CISCO Systems

CISCO Systems is the world’s No. 1 brand for computer networking products and solutions such as routers, hubs and switches. The company has grown tremendously since 2003. Its revenue rose from US\$18.9 billion in 2003 to US\$34.9 billion in 2007, while net profit rose from US\$3.6 billion to US\$7.3 billion during the same period.⁴⁸

In the book, *Leading The Revolution*, Professor Gary Hamel wrote that CISCO Systems has become so successful because it was willing to look beyond its own walls to find the next big thing. What CISCO Systems has been doing over the years is scouting for innovative start-up companies with a killer product or application, and buying them up while giving the founders a free hand in developing their product or application as part of the CISCO Systems group. In this way, CISCO Systems gets an early start on tomorrow’s technology and these start-ups get CISCO Systems’ financial and marketing muscle, which dramatically increases their chances of becoming successful.

The name, contrary to popular belief, is not an acronym. It is simply the short form of San Francisco where the company was born. If you look at the CISCO Systems logo, the top part of it even looks a little like an outline of the Golden Gate Bridge.

⁴⁸ http://www.cisco.com/web/about/ac49/ac20/ac19/ar2007/financial_highlights/index.html

Hotmail

Hotmail⁴⁹ was not the first e-mail software but it was the leader in a new category called web-based e-mail, which has now become commonplace. Previously, if you were using conventional Internet Service Provider (ISP)-based e-mail, it was difficult to get e-mail when you were in another country. Then, Jack Smith and Sabeer Bhatia came up with this great idea of web-based e-mail that allowed anyone to access e-mail from anywhere in the world, as long as there was Internet access. Thus, Hotmail was born; it was the start-up that popularised web-based e-mail.

The founders tried all kinds of names ending with “mail” and finally settled for “Hotmail” because it included the letters h-t-m-l, which is the programming language used to write web pages. The name was initially spelled as “HoTMaiL” with selective upper casing, but eventually became “Hotmail” because the original spelling made the name hard to read.

Hotmail was sold to Microsoft for US\$400 million in 1997. One version of Hotmail’s web-based e-mail features 5 GB of storage, patented security measures, Ajax technology, and integration with Windows Live Messenger, Spaces, Calendar and Contacts. It has over 260 million users worldwide and is available in 35 different languages.

Intel

Many people think the Intel name is an abbreviation of “intelligent” but it is actually a contraction of the words “Integrated Electronics”. The founders of Intel, Bob Noyce and Gordon Moore, had wanted to call the company Moore Noyce. Whether these two tossed a coin to decide whose name should come first, I do not know. (That was apparently how Hewlett-Packard got its name. The founders Bill Hewlett and Dave Packard tossed a coin to see whose name would come first and Bill won. I am sure Johnson & Johnson did not have the same problem.)

The founders of Intel found that the name Moore Noyce had already been trademarked by a hotel chain, so they settled for Intel – a much better name, I think, as it creates the perception of intelligence, both in the sense of a high IQ and the availability of information.

⁴⁹ <http://en.wikipedia.org/wiki/Hotmail>

Lotus

Lotus was famous initially for its Lotus 1-2-3 spreadsheet. This market was usurped by Microsoft's Excel, which is now the dominant spreadsheet on the market. Lotus then developed the Notes groupware programme, which was instrumental in transforming the company. The founder, Mitch Kapor, used to be a teacher of Transcendental Meditation and named his company after 'The Lotus Position'.

Microsoft

The name came from a contraction of the words "microcomputer software". As the company was created to focus on software for microcomputers, which Bill Gates believed (correctly) would experience a boom, the name Microsoft was entirely appropriate. However, this name has also become the butt of crude jokes but we will not print those here. You can use your imagination to think of what else that name might possibly connote.

Oracle

Oracle was not the first software company in the world but it created a new category it could be first in. The founders, Larry Ellison, Bob Miner and Ed Oates, came up with the idea of the Relational Database Management System (RDBMS), or database software, while working on a project for the Central Intelligence Agency (CIA). The project was codenamed "Oracle" because the CIA saw it as a system that could give them answers to many questions.

By the way, Merriam-Webster's Online Dictionary defines "oracle" as: "1 a: a person (as a priestess of ancient Greece) through whom a deity is believed to speak; b: a shrine in which a deity reveals hidden knowledge or the divine purpose through such a person; c: an answer or decision given by an oracle. 2 a: a person giving wise or authoritative decisions or opinions; b: an authoritative or wise expression or answer".

A great name, given that this database software is supposed to give answers!

However, there are also a lot of stories floating around as to where the name came from. One version has said the CIA did not like Ellison and hence gave the project the codename "Oracle", which allegedly stood for "One Real Ass**** Called Larry Ellison". I can't confirm whether this is true but the story has made the rounds on the Internet. I doubt the CIA (or Oracle for that matter) would care

to comment but you can check it out for yourself. Whatever it is, I think Oracle is a great name that is highly suitable for a database software brand.

Red Hat

The company's founder, Marc Ewing, was given the University of Cornell's lacrosse team's cap, which has red and white stripes, by his grandfather. He lost it and was so desperate to find it that the manual for the beta version of the Red Hat Linux open source operating system had an appeal to readers to return his cap if they happened to find it. I am not sure if anyone found and returned the cap.

Xerox

The most famous name for photocopiers because it was the first to launch an automatic, plain paper photocopier in 1959. The rest of the photocopiers on the market at the time were thermal copiers. Xerox was able to use plain paper because it used a new technology called dry copying, as opposed to the prevailing wet copying method. The inventor of this process, Chester Carlson, created the name "Xerox" from the Greek root word "xer", which means "dry". I love this name. It is a great name that sounds high-tech, and yet is very easy to pronounce and remember.

In a nutshell

If you do not have a unique brand name, be prepared to stock up on painkillers as you will be dealing with a lot of headaches when you try to take your business into international markets. For starters, you will face many problems registering your brand in those markets. And even if you can register the name by adding something to it, you will still have problems when people confuse your brand with others with the same name, even if they operate in another industry.

If you do not have a unique name, you might want to consider inventing one that can be registered in your key markets. Legend Computer had to undertake an expensive rebranding exercise to change its name to Lenovo because the name “Legend” was not unique.

Besides making it easier for your brand to expand into new markets, a unique name will also help to differentiate your brand from competitors. So, make sure you have a unique name.

CASE STUDY

Rotary Engineering

Rotary Engineering Limited, a Singapore company listed on the Main Board of the Singapore Exchange (SGX), was established in 1972 as a sole proprietorship by Chia Kim Piow to provide engineering services to the oil and gas industry. The company has grown from its humble beginnings to a multinational corporation with over half a billion dollars in annual turnover. It is now a market leader in providing engineering design, procurement, construction and maintenance services for its core clients from the oil and gas, petrochemical and pharmaceutical industries. Rotary Engineering expects revenue to continue its strong growth as the company pushes more aggressively into international markets.

Headquartered in Singapore, Rotary Engineering has established a strong presence in the Asia-Pacific region over the last 30 years. Today, with a workforce of over 2,000 employees, Rotary Engineering has subsidiaries, associates, affiliates and representative offices in Malaysia, Thailand, Indonesia, India, the People's Republic of China, Azerbaijan, Australia and the Middle East.

These are some of the key strategic thrusts for Rotary Engineering going forward:

- Rotary Engineering is targeting projects in specialised fields such as low-temperature tank, modular construction and contract manufacturing because these are expected to be new areas of growth.
- In terms of geographic markets, Singapore will continue to be a key market but as the company is looking to earn a bigger percentage of its revenue from outside Singapore, it will continue to develop its key international markets such as China, Thailand, Saudi Arabia and the rest of the Middle East.
- As the key driver of Rotary Engineering's international expansion, the Electrical and Instrumentation (E&I) division will continue to build upon its stellar reputation in the marine and offshore category.
- The Maintenance division will strive to be a leading third-party integrated maintenance services provider in Singapore.

Rotary's Milestones

1972 Rotary Electrical was founded as a partnership, with Chia as the Managing Director. The company catered to oil refineries and petrochemical plants in Singapore.

- 1975 Rotary Electrical was privatised, enabling the company to bid for more substantial projects.
- 1980 Rotary Engineering was incorporated into a private limited company.
- 1983 Rotary Engineering acquired Rotary Electrical in an amalgamation exercise. Rotary's core business activities expanded to include civil, structural, mechanical equipment installation and piping works, allowing the company to become a full-service turnkey engineering and contracting company.
- 1993 Rotary Engineering was listed on the Stock Exchange of Singapore, forming Rotary Engineering Limited.
- 1995 Rotary Engineering Limited achieved ISO 9001 certification.
- 1996 The company crossed S\$100 million in annual turnover.
- 2000 A single contract of S\$100 million was awarded to Rotary Engineering from Oiltanking Singapore.
- 2006 Rotary Engineering was awarded its biggest contract of S\$535 million for the Universal Terminal on Jurong Island.

Rotary's Challenges

Chia believes that just to maintain a business requires constant innovation and marketing. Despite his achievements in the past 36 years, he is not done yet. He wants to build a brand that will last long after he has retired. This is not an easy thing to do in the international market as Rotary Engineering faces stiff competition from larger multinational corporations.

However, Rotary Engineering has one advantage over its bigger rivals: It has a great track record in Singapore. Since Singapore is renowned for its petrochemical industry's quality, safety and efficiency, Rotary Engineering could ride on this track record for international expansion. In *Killer Differentiators*, I wrote that one of the strategies a company can use to differentiate itself is its country of origin (*Strategy No. 6*), provided its country of origin is known for the product or service the company is providing. Japan is known for consumer electronics, so a Japanese consumer electronics company would have an advantage. Switzerland is known for watches, so a Swiss watch company would have an advantage even if it were not one of the pioneers that helped build the industry.

The other challenge is the Rotary name. It is a generic name that can be found in everyday language, although we must admit this word rarely occurs in daily use these days. The name is also not unique. There are other organisations using the

name, such as the Rotary Club. There is another company in the UK called Rotary Engineering as well, but it is in a different industry. Changing the name is out of the question as the company is in the middle of a growth spurt. Since 1972, it has done the right things and done things right. It has been growing its business steadily and now, the afterburners on the Rotary brand have just kicked in. This is no time to be messing around with the name. Furthermore, the name is not a bad one. It is easy to pronounce and remember. And it definitely works in English.

Enhancing The Name

What Rotary Engineering needs is to enhance the name and tie it strongly to its category. Fortunately for Rotary Engineering, it is a B2B company in a highly specialised field. That means it does not have to serve a very large customer base as a B2C brand would. Brands like Coca-Cola, Apple and Virgin have millions of customers to reach out to. Rotary Engineering has a potential customer base of hundreds. With a much smaller target group of customers, it is easier for Rotary Engineering to make its name stand for something in the minds of its customers. One large SGX-listed semiconductor testing company once told me that despite being a billion-dollar company, it only had a total pool of 300 potential customers worldwide, and close to 60, or around 20 per cent, were already its customers. A B2B company serves a market that is more contained and hence, it is easier to get the brand into the minds of potential customers.

What Rotary Engineering needs to do now is differentiate its Rotary from the other Rotary names out there. Rotary Engineering has a very strong track record in its industry. Its clients are among the who's who of the oil and gas, petrochemical and marine industries. The brand is very established in the minds of the clients it now serves. But for Rotary Engineering to expand further, it needs to make its name stronger through three ways:

1. Find a differentiation strategy that works for the group.
2. Dramatise that differentiating idea. That means, exaggerate the differentiator and make it larger than life.
3. Capture that differentiating idea in a tagline that will appear with the logo, for the purpose of communicating the Rotary Engineering brand in a simple and effective manner.

That tagline is important because it will allow Rotary Engineering to get its brand message out quickly. Every time potential clients see the logo and tagline, the Rotary Engineering brand idea will be further driven into the mind.

Since a brand does not have a lot of time – or opportunity – to communicate in this day and age of hypercompetition and the over-cluttered media, it needs to make use of every opportunity to get the brand message out. This means the tagline plays an increasingly important role. With a unique and properly sorted tagline, Rotary Engineering will be able to communicate its brand better. I am also watching this space with great interest to see how Rotary Engineering develops its differentiation strategy and tagline to enhance the brand name.

CHAPTER 09

**Rule No. 6 –
No Generic Words**

SEATTLE is the largest city in the north-western part of the United States, with a land area of 369.2 square kilometres and a population of around 3.3 million.⁵⁰ It is located 154 kilometres south of the Canadian border in the state of Washington. Said to have been inhabited for the last 4,000 years, Seattle got its name from the word “Sealth”, the name of the chief of two local tribes. The city became most famous in recent times, perhaps, for its starring role in the romantic movie *Sleepless In Seattle*, featuring Meg Ryan and Tom Hanks.

But Seattle is also very well-known for its coffee. In a 2002 article in *The New York Times*, “The List; Seattle: An Insider’s Address Book”, Catharine Reynolds wrote that Seattle’s coffee culture has now become America’s coffee culture. So, it should come as no surprise that Seattle has spawned some of the best-known coffee chains in the world – or, at least, in the United States. What is Seattle’s best coffee? Most people would say Starbucks, which is from Seattle. Established in 1971, Starbucks is the world’s first gourmet coffee chain and despite going through a rough patch at the time of writing, is still the No. 1 coffee chain in the world, with a turnover of around US\$9.4 billion.⁵¹ US\$9.4 billion? Just from selling coffee? Yes, you read that right.

If I say “Seattle’s best coffee”, would you think of another brand from Seattle called *Seattle’s Best Coffee*? Probably not. Seattle’s Best Coffee as a name is not as strong as Starbucks. It is too generic, and generic words are difficult to turn into strong brands because they are usually not unique enough to register in the minds of customers. Is it possible that Seattle’s Best Coffee makes better coffee than Starbucks? Entirely. That Seattle’s Best Coffee is, indeed, the best coffee in Seattle? Absolutely. But it needs a better name. Branding is a battle of perception, not products. To win, one of the things you must have is a good brand name. It is one of the first things customers encounter.

⁵⁰ http://en.wikipedia.org/wiki/Seattle_Washington

⁵¹ http://media.corporate-ir.net/media_files/irol/99/99518/2007AR.pdf

Starbucks is not a generic name. It is a made-up name. There is only one Starbucks in the world. When you mention “Starbucks”, people will think of coffee. In fact, when you mention coffee, most people will think of Starbucks in the same way they think of Xerox, Osim, Kleenex, Ya Kun, iPod and Banyan Tree when you mention the words photocopiers, massage chairs, tissue paper, kaya toast, MP3 players and resorts. Because Starbucks is not a generic name, it has the opportunity to become the generic for that category in the way “Xerox” has become the generic for “photocopier”. People will happily say, “I am going to Xerox this” when they are standing in front of a Toshiba or Canon photocopier.

If you look at the coffee places around you today, you will find that many of them serve gourmet coffee just like Starbucks does. A lot of them serve coffee that is even more premium than Starbucks’ but they have generic names like The Coffee Connoisseur, Coffee Bean & Tea Leaf, Coffee Club or Pacific Coffee. Generic names are difficult to differentiate one from another.

The other problem facing a generic brand name like Seattle’s Best Coffee is that it is making a big claim: It is making the claim of being Seattle’s best coffee. That might be fine in a place like Seattle where people would probably know most of the coffee brands, but what happens when Seattle’s Best Coffee tries to expand to other places? When you claim you are the best, people will often think you must be the No. 1 brand. They often substitute “No. 1” for “best”. If you are No. 1, it is easier to justify that you are the best. If you are not No. 1 and you claim to be the best, people will think, “If you are the best, why aren’t you the No. 1 brand?” I wrote about this phenomenon, *The Paradox Of Logic*, in *Transforming Your Business Into A Brand*.

WHAT IS THE DEFINITION OF ‘GENERIC’?

The Merriam-Webster’s Online Dictionary defines the word “generic” as: “1 a: relating to or characteristic of a whole group or class; b: being or having a nonproprietary name <generic drugs>; c: having no particularly distinctive quality or application <generic restaurants>”.

For the purpose of creating brand names, we define generic names as “common words”: words that are in everyday use. They can be found in the dictionary or thesaurus but are also used in everyday conversation – and that is why they are common. Some of the words you can pick from a dictionary are not that common, but because they exist in the dictionary or thesaurus, chances are someone else – even a competitor – has already picked them as brand names.

For example, common words we use everyday are “paper”, “flower”, “car”, “coffee”, “tea”, “food”, “mail”, “office”, “garden”, “pen”, “hair”, “shampoo”, “carpet”, “sofa” and so on. These are common words that can be used to describe a category, and that makes them generic. So, a generic name is a name that uses a common word.

GENERIC NAMES ARE VERY HARD TO ANCHOR IN THE MIND

What is the single-most valuable asset you have in your company? It would be the brand name. If it were not, something is not quite right. Take Sony: If Sony’s factories were to burn to the ground, the company would still be alright because the most valuable asset it has is the brand name. As long as it has the brand, it can rebuild the company. If the Sony name does not belong to the company, then once the factories burn to the ground, the company is in serious trouble.

Many Taiwanese consumer electronics manufacturers ran into difficulties in the 1980s when their major clients, the Japanese consumer electronics giants, shifted production to lower-cost countries such as Malaysia. But the Taiwanese learnt their lessons fast and redeployed their resources into building their own brands. Today, Taiwan can boast of its own brands of consumer electronics products: Acer, Asustek, Kingston and BenQ, among others.

Likewise for Coca-Cola. The world’s most valuable brand is worth around US\$65 billion.⁵² How much of that is accounted for by hard assets owned by Coca-Cola, such as bottling plants and buildings? If you read Coca-Cola’s balance sheet, you will find that the value of Coke’s hard assets is only a fraction of its brand value. The single-most valuable asset it has is the brand name. The same goes for B2B brands like Microsoft, Intel, IBM and General Electric. The value of the brand name is far more than the value of all the hard assets put together.

A brand exists only in the minds of its customers. Thus, the value of the brand depends on how strong the brand is in the minds of its customers. To be a strong brand, you need to anchor that name in the minds of your customers. If you do not, you will not be able to build a strong brand. That name needs to stand for something in the mind. It needs to be tied to a brand idea, and brand ideas are generally expressed in simple, everyday language. What is Coca-Cola’s brand idea? It is *The Real Thing*. When people think of The Real Thing in

⁵² “The 100 Top Brands”, *BusinessWeek* (6 August 2007)

soft drinks, they automatically think of Coca-Cola. Coca-Cola is a unique name. The Real Thing is a generic name. If Coca-Cola had used The Real Thing as its brand name, would that have worked? It might have, since it got into the market first, but it would have been difficult. If The Real Thing were the brand, what would the brand idea be: The real soft drink? The first soft drink? The better soft drink?

If Intel had used a generic name like The Microprocessor Company, would it have been as successful? It might have, but the road would have been harder unless its competitors had equally generic names. Its main competitor today, AMD (American Micro Devices), has a generic name that does not help in its battle against Intel. When you are not the No. 1 brand, you need to be better just to be seen as an equal, and being better also means you need a better name. AMD is not a better name than Intel, in my opinion.

If McDonald's had called itself The Fast Food Company or Budget Hamburger, it would have been difficult to anchor the brand in the mind. "The Fast Food Company" or "Budget Hamburger" describes what McDonald's does. They are not proper brand names.

If Nike had called itself Athlete's Shoes, I think the company would have had a hard time trying to anchor the brand in the mind because "Athlete's Shoes" are generic words that describe what Nike is and, as such, cannot be used as a brand name.

If Yahoo! had named itself Internet Search Engine, it might not have stood out. "Internet Search Engine" are three generic words that describe what the company does. The words could very well have referred to Alta Vista, Google, Infoseek, Excite, Spock and a host of other search engines on the World Wide Web.

If Microsoft had called itself The Operating System Company, it would have been difficult to anchor the brand in the minds of customers. Not impossible, because Microsoft had a product – the 16-bit PC operating system – that arrived on the market with exquisite timing. However, "The Operating System Company" system describes what Microsoft does and is not a proper brand name. It could be applied to other companies offering operating systems for PCs.

So, a generic brand name is a name that can be used to describe the entire category. If you have a generic brand name such as Singapore Furniture, it could simply mean furniture made in Singapore. It will not become strong because

a generic name can describe the entire category. “Singapore Furniture” could refer to brands like Cellini, Scanteak, Ierus, Unicane, Koda and a host of other Singapore companies selling furniture.

If Cellini had called itself Contemporary Furniture, Ierus had called itself Mahogany-Style Furniture, or Ikea had called itself Flat-Packed Furniture, would the names have worked as well? Probably not.

Generic names are also names that can be used by almost anyone. If you call yourself Singapore Furniture, somebody could come along with a name like Singapore Steel Furniture or Singapore Office Furniture. Not exactly the same as Singapore Furniture, but they could still make use of the words “Singapore” and “Furniture”. That is not a good thing for your brand.

So, if you have a generic name such as Singapore Aluminium Company or Global Tea Merchants or Asia Travel Industry, it might be a good idea to change the name while you can. In my experience, most companies resist a name change even if they have generic brand names that are difficult to anchor in the mind, for sentimental reasons. But if you have a generic name and new competitors keep appearing on the horizon with better, snazzier and sharper names, they will eventually reduce the grip your brand has on the customer’s mind.

One of the most immediate ways to improve a brand is to get rid of a generic name and replace it with a short and unique one that can be tied to a brand idea in the minds of customers. The common objection to this is: “Oh, we can’t do that because it will take time to build a brand. We can’t afford that time.” Yes, it does take time to build a brand, but if you had a better (non-generic) name, it would be easier.

Just imagine what it would be like for you today if you had spent the last 30 years building your brand using a non-generic name. I have asked many business owners this question, and they have grudgingly admitted that if they had put in the same amount of effort into a name that was not a generic word, they would probably have had a far stronger brand today. Brand building takes time. If you have a generic name and you stick with it for another year, that is another year you have lost lumbering along. It might be doing okay with existing customers but to grow, you need to acquire new customers. If you have a generic name, it will be harder to penetrate new customers’ minds.

Lastly, a name change, if properly managed, can be a great way to reconnect with existing customers. It gives you the chance – as well as a great excuse – to renew your relationship. They may ask, “Why change the name after so many years?” That gives you a chance to explain and plant the name firmly in the mind. The proviso is simple: You have to do it right, from beginning to end. It is not an easy thing. Building a stronger brand for the future is never an easy thing.

GENERIC NAMES DO NOT STAND OUT ON THE INTERNET

With the growth of the Internet either as a business or a medium of communication, there is an even more pressing need for you to find a non-generic name. In the days before the Internet became such an important component of brand building, a brand always had a visual component even if the name were just a logotype used as the logo. A generic name could be made to look eye-catching and memorable.

The way the name sounded was important, but the visual – the logo – also played a part in building the brand. Just take a look at the logos of emotive car brands such as Porsche, Ferrari, Lamborghini, Bentley, Aston Martin, Rolls-Royce, Mini and Alfa Romeo. They each have a very strong and distinctive look and feel.

The advent of the Internet has meant that the visual element is wiped out – at least on the World Wide Web. The Internet is the great leveller in the world of branding. On the Internet, there are no visuals to hide behind. You type in a name to find the website. No fancy logos can distract potential customers from the fact that your generic brand name is actually quite forgettable. Stripped clean of all these visual accoutrements, your name has to stand on its own merit, and the spotlight of the Internet is a harsh one.

If you have a generic name, could you still be successful on the Internet? Yes, if your competitors are equally clueless and have generic names too. But in these days of hypercompetition, you cannot bank on clueless competitors anymore. Somebody will soon figure out that with a proper – that means, non-generic brand – name, they have a better chance of beating you. Yahoo! is a great brand name because it is less of a generic word compared to competitors like Infoseek and Excite.

But Google is even more fantastic as it is special to Google. If you had set up a search engine in the past called Search Engine, it would have been torn apart by the competition even if you were just as good because of your

generic name. It describes the category. It is not a proper brand name. Google is a proper brand name. Everything else being equal – and these days, the difference in quality between the best and the worst has narrowed tremendously – the brand with the proper name wins.

The mind tends to treat generic names as representative of the category rather than of the brand. If you have a generic name like Kitchen, Flowers, Batteries & Tyres, Hair Salon, Forklifts, Pumps, Gaskets or Furniture, people will look at your name and think of the category you are in, not the brand. If your brand name is Flowers, then what would the category name be? We will explore in Rule No. 8 (*Chapter 11, page 222*) the need for a brand to have both a brand name and a category name. If your name is Flowers, the category name cannot be “flowers” too. “Flowers” should be the category name. The brand name needs to be something that is not a generic word, such as Jurliss, Heaven’s Touch or 11 Picks. These are some of the flower shops I found on the Internet.

A generic name is bad enough in the real world, but on the Internet, things get a whole lot worse. As mentioned earlier, on the Internet, a name like Flowers is just seven letters that spell “f-l-o-w-e-r-s”. There are no visuals or eye-catching logos to attract customers. So, a generic name would not do well when faced with real competition with proper, non-generic brand names. In the absence of competition, a brand with a generic name could stand out on the Internet; as they say, in the land of the blind, the one-eyed man is king. But how likely is it that you will not face competition? Even less likely than winning the lottery.

I came across this interesting website called Zibb.⁵³ It is a business search engine that purportedly has the profiles of 2.6 million companies in its directory. I like the name. It is simple. It is catchy. It is very Zibb. Because Zibb is a made-up word, it is unique to the company. Because the name is unique, it would be easier to link Zibb to the category of *business search engine* than if it had a generic name like Business.com, although Business.com got an earlier start and is a bigger entity than Zibb at the moment. I also read in the newspapers during the dot.com craze in the late nineties that the domain name www.business.com was bought for US\$7.5 million. That is crazy money: US\$7.5 million for a generic name? I would rather create a unique name like Zibb. Everything else being equal, a name like Zibb has a better chance of succeeding on the Internet. By the way, have you ever heard of Business.com?

⁵³ www.zibb.com

SITUATIONS WHERE GENERIC NAMES MIGHT WORK

Whereas the laws of physics are absolutes, the rules of naming are not. There are situations where there are exceptions to the rule. Although you should try to avoid generic names as far as possible, there are brands that have become successful on generic names.

There are several conditions that must be met for the generic name to work. Well, it looks like there are rules even for exceptions. (I was tempted to put a smiley face at the end of the previous sentence but I tried that with the last book and got slapped on the wrists by my eagle-eyed editors at Marshall Cavendish so I will behave myself this time around.)

The following are the conditions that must be met for a generic name to work:

1. The Generic Name Must Be One Word

You cannot have a generic name with more than one word and it must be as short as you can possibly make it. Again, two syllables would be ideal. A generic name that is more than one word long compounds the problem of a generic name. “Office” is a generic word. That in itself is a disadvantage but if you make it longer by adding another generic word to it – such as “Machines” – you have double trouble. Office Machines is within four syllables but it still is a long generic name. It would be better just to call it “Office”. That does not solve the problem of it being a generic word but it is a start. Keep it to one word. And keep it to a maximum of two syllables if you can. Then go to the next step.

2. It Must Be A Word That Is Used Out Of Context

Generic words like “Office”, “Flowers”, “Cooking”, “Kitchen”, “Wine”, “Tools”, “Builders” and “Plumbers” are not good generic words to use because they are way too literal. You need to use a word that is out of your context. A name like Kitchen as the brand name for a company selling kitchen utensils, appliances or renovation services is too literal and hence will not work. Why? Because it is boring. It becomes completely unmemorable. When I say, use a word out of context, I am saying pick a generic word as your brand name, but that generic word should not refer literally to what you do.

“Dove” is a generic word but it is also the name of a brand of soap. Dove does not sell doves; it sells soap that is one-quarter moisturiser so

your skin will become smooth and soft. That is the theory anyway. I am not a Dove user; I have this idea that a soap so loaded with moisturiser will leave the skin feeling oily. My wife calls me a caveman because I do not know how to appreciate these things. But Dove as a brand name works because it is used out of context. As doves are very gentle creatures, it is an entirely appropriate name.

Mango does not sell mangoes. This Spanish brand sells chic and affordable women's clothing. This generic name works because it is short, easy to pronounce and gives a sense of fun. It is also very different in the world of fashion, where many labels carry the name of their designers, like Donna Karan, Giorgio Armani, Calvin Klein, Issey Miyaki, Celia Loe and so on. Nothing wrong with that, but Mango stands out in world full of designers' names.

3. It Must Be A Word That Can Give A Sense Of What The Brand Does

In case you think you need to use the name of a fruit to use a generic name out of context, let me assure you that this is not so. Champion is a brand of sports wear that is very successful, and it uses a generic (non-fruity) name out of context. Champion does not run a training school that turns out sports champions, but the name gives a sense of what its wearers aspire to be. So, it works. The logotype is a bit hard to read and outdated, in my opinion. Still, it is a good brand name.

Dial is a brand of soap. What does the name Dial say about the soap? A dial is usually round and there are numbers that go around it. The name Dial is appropriate for a soap brand that offers round-the-clock protection from germs.

DieHard is a brand of car batteries. Although "diehard" is a generic word, it is workable in this case as it gives a sense of what the battery does: It dies hard, and that is exactly what you want a battery to be like.

Craftsman is a brand of tools, both powered and manual. "Craftsman" is a generic word that describes a profession but it can be used here as it gives a sense of what the brand does and it also sends potential customers the message that if they want to be as good as the professionals, they should use Craftsman tools.

Vanish is one brand of detergent. Although "Vanish" is a generic word, part of the reason why it works – in this case – is because no one else is

using that name and it also describes what the detergent does: It makes stubborn stains vanish.

4. You Must Be The First One In Your Category To Claim That Name

Generic names are generally difficult to anchor in the mind unless you happen to arrive on the market with exquisite timing with a product or service that is exactly what customers are looking for. General Electric is a very generic name but at the time it was formed, it didn't have many competitors. Electricity was relatively new to most people. And General Electric arrived with a revolutionary idea that the market was ready for: the electric light bulb. So, General Electric could be anchored in the mind.

General Electric is made up of two generic words but it got into the market in the late 1800s, claimed the name first and has since spent over a hundred years building the brand. General Electric is now one of most admired companies in the world, as well as one of the most valuable brands.

If you are not the first to claim the name and make it your own, you might have to find another name. There was a British company that was also called General Electric – General Electric Company Plc. It was a defence contractor. The company was almost as old as the American General Electric, but the American company got into the mind first with the name. So, the British General Electric had to change its name. It chose Marconi, in honour of Guglielmo Marconi who invented radio transmission and founded one of the British General Electric's predecessors.⁵⁴

5. Combining Two Generic Words To Create A Unique One

This can sometimes work. Take two generic words that would normally not be used together and combine them to create a unique name. For example, you would normally not use the words "face" and "book" together, but combine them and you have a unique brand name for a social networking site: Facebook, which was founded by Mark Zuckerberg. The ThinkPad laptop is another great brand name that combines two generic words to create a unique brand name. Other great brand names that make use of this strategy are PlayStation, Gameboy, Starbucks, Volkswagen (it means "people's car" in German) and MySpace.

⁵⁴ Steve Rivkin & Fraser Sutherland, *The Making Of A Name*, Oxford University Press (2004)

LONG GENERIC NAMES CAN WORK IF YOU ARE THE ONLY ONE ALLOWED TO USE IT

In 2005, I was the programme manager for branding for International Enterprise Singapore, one of the eight economic agencies under the Ministry of Trade and Industry. It is the one tasked with helping Singapore companies grow their business overseas through a variety of financial and non-financial programmes. Before it became International Enterprise Singapore, it was known as the Trade Development Board. It was renamed International Enterprise Singapore (or IE Singapore) because its focus had shifted from merely promoting trade to helping Singapore companies venture into international markets successfully.

That same year, I launched a controversial but popular brand training programme to educate IE Singapore's clients. I tested this programme on the account managers of IE Singapore first, going division by division to educate my colleagues on the fundamentals of branding so they could discuss branding matters with the clients in a more meaningful manner. Several times, I was asked by the directors if IE Singapore was a good name. My answer was a simple no, the reasons being that the name was too long and that it was made up of three long and generic words. The full name of the agency was International Enterprise Singapore Board: 12 syllables!

Someone countered by saying they had shortened it to IE Singapore – five syllables. But that is still too generic. IE is often the shorthand people use for Microsoft's Internet Explorer. In fact, a company I once met asked me if I worked for Microsoft. I was not the only IE Singapore officer who had that experience. It was bad news all around. Finally, I was asked by some members of senior management if IE Singapore should change its name. They were surprised when I said no, because it had just changed its name a few years earlier. Frequent name changes send out the wrong message to your stakeholders. It tells them that something is wrong, even if there is nothing wrong, and perception is reality; that is the first rule of branding.

However, the biggest reason I recommended that IE Singapore stick with its name is that it is a government agency and it is the only International Enterprise Singapore Board within the Singapore government. It is the only one with the mandate to help Singapore companies internationalise. It owns the category of *internationalisation*. Hence, the name works regardless of whether it is too long or generic. Does not matter what I think.

Unfortunately, those of you who are in the private sector do not have that kind of luxury. If you had used a name like International Enterprise Singapore, your brand would have run into trouble. IE Singapore does not have to contend with competition in the way that your brand does. You have hungry competitors who are just waiting for you to make one tiny mistake so that they can pounce on you and steal your lunch. If you have a long and generic name, you are making it easier for them to pounce. Why would you want to do that? You should make life difficult for them by making sure you have a killer name.

That does not mean IE Singapore did not have its share of problems with its name. For years, IE Singapore needed to put a line in all its communications material that said IE Singapore was formerly known as the Trade Development Board. I mentioned to my former colleagues that I actually preferred the old name because the Trade Development Board had been around for a long time and people knew it as such. They just had to reposition the Trade Development Board as the agency that helps Singapore companies develop their business (or trade) in international markets. But what is done is done. IE Singapore will still do well despite the generic name because it is the only one in its space – remember that. Remember also that your brand does not have its category all to itself.

YOU MIGHT GET AWAY WITH GENERIC NAMES IF YOUR COMPETITORS ALLOW YOU TO

A generic name will not kill you if your competitors are kind enough – or clueless enough – to allow you to get away with it. I often advise my clients against using line extensions on their brands because line extensions will weaken the brand and make the new product uncompetitive. Many people argue that line extensions can be successful provided they are used on the same group of products.

Take Colgate, for example. Colgate is a strong brand. But what is Colgate known for? Toothpaste. You can argue that it is perfectly acceptable to line-extend the Colgate brand into toothbrushes, because toothbrushes also fall into the category of oral care. By the same argument, Colgate can line-extend the brand into mouthwash, floss, dentures, etc. Would you buy a Colgate toothbrush? Many people have told me they would. Now, same question with a twist: Would you buy a Colgate toothbrush if it were the same price as an

Oral-B? Yes, I can see you rubbing your chins ... You would buy a line-extended brand if it were cheaper but not if it were the same price as the brand better known for that product. What's the point?

By the same token, you would buy an Oral-B toothbrush but maybe not Oral-B mouthwash unless it were cheaper than Listerine. Even in the category of toothpaste, you would probably buy different brands for different things: Colgate for all-round protection; G.U.M. for gum care; Sensodyne for sensitive teeth; Pearlie White for whitening; Darlie for a fresher breath; and so on.

So, line extensions are bad but worse still are line extensions that tag a generic name onto the brand. Diet Pepsi is a line extension. Even worse, Pepsi used a generic word to extend the brand. "Diet" is a generic word that is commonly used in everyday language. Why has Diet Pepsi been able to get away with using a generic line-extended name? Because Diet Pepsi's No. 1 competitor is Diet Coke, another generic line-extended name. It is fine, as long as the competition does not narrow the focus and launch a diet-only cola and keep pounding on its specialist status. That might cause problems for the generic Diet Pepsi and Diet Coke.

Yes, you can get away with a generic name if your competitors are also using generic names, but doing so would be wasting a golden opportunity to get a leg up and give your brand an unfair competitive advantage. If all your competitors are using generic names, you can differentiate your brand by not using a generic name. This is called Taking The Opposite Position – which is Differentiation Strategy No. 9 outlined in *Killer Differentiators*. It will not win you the battle of branding outright but it will give you an advantage – that is for sure. When all the MP3 players had complicated generic names like Diamond Multimedia Rio PMP300, Eiger Labs MPMan F10 and Creative Nomad Jukebox, Apple took the opposite position and came up with a simple name like iPod. That, coupled with a great design and snazzy TV commercials, made the iPod a hit.

What happens when all your competitors have non-generic names? For example, if your competitors all have names like Wakoopa, Squidoo, Woomp. Renkoo, Eskwela, Zillow, Wega, Google, Yahoo!, Spock, Kuro and Wii, what should you do? Probably take the opposite position by using a generic name that is taken out of its context. It could work if you do not need to get a website or to register yourself as a company. As mentioned earlier, a generic name would probably already have been registered by someone else as a company

and a website. That means if you are looking for a product name, using a generic name could work in differentiating your brand against competitors with non-generic, nonsensical-sounding names.

PROTECTING YOUR NAME FROM GENERICIDE

Genericide. That is a scary-sounding term, right? Even if you have no idea what it means. When I first encountered this term, I tried to think of what it could mean and the possibilities that popped into my mind were things like “suicide”, “genocide” and even “pesticide” – all things that are bad for your well-being. Well, genericide is something that is bad – bad for the well-being of your brand. In an article entitled, “Google Defends Its Trademark From Genericide” in *The Illinois Business Law Journal*, the term “genericide” is defined as the process in which a trademarked and non-generic name becomes a generic word over time through evolving public use.

These days, when you want to search for something on the Internet, do you say, “I am going to search for XYZ on the Internet”? No. You simply say, “I am going to Google it.” This is both good and bad. Good because Google is now the de facto Internet search engine. When people use your brand name to identify the category – in this case, Internet search – instead of identifying the product, which is “the Google Internet search engine”, you have become the dominant brand in your category. I have often told companies a strong brand needs to own its category or be strongly identified with the category. This is a great way to build and maintain a brand.

Intel is a strong brand. With a market share of over 80 per cent it is, literally, owning the microprocessor category. Coca-Cola is a strong brand – the brand most strongly identified with the soft drinks category. McDonald’s is closely tied to fast food; Nokia stands for mobile phones; BlackBerry stands for mobile e-mail. Evian is a strong brand too, because it is the brand that comes to mind when people mention mineral water.

Becoming the brand that is seen as the category leader is a great thing, but there is a tipping point that once crossed, becomes dangerous for your brand. If the public starts to use your brand to represent the category instead of your product or service, genericide sets in. If people continue to refer to Google as the process of performing a search on the Internet, Google might become a generic word in the eyes of the law and lose its trademark. Genericide has already claimed many famous brand names.

Escalator

The word “escalator” used to be a trademark owned by Otis. Today, it is a term used to describe those conveyor belts that make it so much easier for people to move from floor to floor in shopping centres and underground train stations. It is an everyday word – a generic word. But that was not always the case. Escalator used to be the brand that referred to those moving conveyor belts. It was trademarked by Otis. However, over time, through inaction and carelessness, the name Escalator became a generic word.

What happened was that two Otis employees were on the committee that drafted the “Standard Safety Code for Elevators, Dumbwaiters and Escalators”. Neither objected to the use of the word “escalator” as a description and it entered the public domain as an acceptable word to describe moving conveyor belts that transport people from floor to floor. Because “escalator” now refers to the category and not specifically to Otis’ product, it caused the mark to lose its significance as an indication of origin.

Aspirin

Bayer is a German pharmaceutical company established in 1863. Today, it hires approximately 106,000 employees and has an annual turnover of around 32 billion euros.⁵⁵ Bayer’s first major product was acetylsalicylic acid – represented by the trademark Aspirin, which was registered worldwide in 1899. The confiscation of Bayer’s American assets and trademarks during World War I by the United States and the subsequent widespread usage of the word to describe all brands of the compound caused Aspirin to lose its trademark status in the United States and some other countries.

Today, many people say, “Do you have a Panadol?” to refer to headache medication. Panadol is the leading brand of headache medicine in Singapore. So, Panadol could become a victim of genericide over time if it does not take steps to prevent this.

Google

Since 2003, Google has been actively policing the use of its increasingly valuable trademark. In one of the defining cases, Google sent a cease-and-desist letter to the creator of the Word Spy website – a popular online dictionary

⁵⁵ <http://en.wikipedia.org/wiki/Bayer>

– in early 2003 after Word Spy added a definition of “google” onto its website. The widely-publicised letter from Google’s trademark attorneys asked Word Spy to clarify its entry and emphasise that “google” referred to an Internet search conducted using Google’s search engine and not to Internet searches in general. This particular letter from Google was just the first to draw significant attention from commentators.

In 2006, a TV commercial for Pontiac – a division of General Motors – urged viewers to “Google Pontiac to find out more”. Surprisingly, Google did not object to the commercial’s usage of “Google” as a verb, even though the infraction seemed rather similar to various other instances that prompted a letter from Google’s attorneys. Indeed, Google essentially consented to the commercial’s usage of “Google”, since Pontiac contacted Google to obtain permission.

This particular instance of generic use may be especially damaging to Google, since its consent to the use was similar to that of Otis’, which weighed heavily in the finding of generic-ness. However, Google could possibly argue that the commercial included images of the Google search page being used, reinforcing the public’s understanding that the phrase “Google Pontiac to find out more” meant the use of the Google search engine.

Google’s efforts to protect its trademark has also drawn criticism from many commentators, but these remain necessary to protect its trademark rights. There is a very real and present danger of Google falling prey to genericide. Furthermore, the actions taken by Google have been innocuous requests made to writers, bloggers and the general public. The company merely asked the relevant parties to change the way they used the word “Google” and contained no threats of legal action. Such letters should help combat allegations of consent and indifference on the part of Google.

STEPS THAT YOU CAN TAKE TO PROTECT YOUR TRADEMARK

It is natural for brand owners to want to increase the popularity of their brands. Many believe a certain degree of generic usage demonstrates that the brand has become a successful, well-known and widely-accepted brand within its category. While I agree with that point of view, the line between that and genericide is a very thin one. Generic use of a trademark presents a risk to the effective enforcement of trademark rights and may ultimately lead to the brand owner losing the exclusive use of its trademark. As a brand owner, you certainly do not want that to happen.

If you are a brand owner, there are various steps you can take to reduce the risk of genericide. Some are discussed in this section. One step could be to educate customers, distributors, business partners and even employees on the appropriate use of the trademark, to avoid situations in which the trademark is used in a generic manner – such as, “FedEx this letter to LA for me.”

Where the trademark is associated with a new invention, you might want to develop a term to describe the product or service to avoid your trademark being used in a generic manner. This term – commonly known as a “generic descriptor” – is usually used right after the trademark to describe the product or service. Some examples are “Kleenex tissue”, “Tiger Balm medicated plaster”, “Velcro fasteners” and “Osim massage chairs”.

Where a trademark is often used generically, you may need to take special proactive measures to retain exclusive rights to it. Xerox provides one successful example of a company that has been able to prevent the genericide of its trademark through an extensive public relations campaign advising consumers to “photocopy” instead of to “Xerox” documents. That is one reason why Xerox still has the use of its trademark today, although the brand did become generic in Russian, Bulgarian, Portuguese and Romanian.

Another common practice among trademark owners is to follow their trademark with the word “brand”, to help define the word as a trademark. Johnson & Johnson changed the lyrics of its Band-Aid TV commercial jingle from, “I am stuck on Band-Aids, ‘cause Band-Aid’s stuck on me” to “I am stuck on Band-Aid brand, ‘cause Band-Aid’s stuck on me.” Great move, I think.

Another example of a concerted effort to prevent a trademark from becoming a generic was made by Lego. In the 1970s and 1980s the company printed a request in its instruction manuals asking customers to refer to Lego’s interlocking plastic building blocks as “Lego blocks” or “Lego toys” and not “Legos”. This request went unheeded and many people continued to call the blocks “Legos”, but the use of Lego in this generic manner was confined to Lego’s products and not used on similar products from its competitors.

In a nutshell

Generic names are generally to be avoided when it comes to creating brand names because a generic name can be used by just about anybody. And, chances are, whatever generic name you think of, someone else has already registered it.

A generic name simply refers to a word found in everyday use. Generic names are very hard to anchor firmly in the mind because other companies can also use them. If you can't anchor the name in the mind because it is such a common word, you can't build a strong brand.

Generic names also do not stand out on the Internet because on the Internet, the name is just a word, stripped of any visual embellishments. So, if it is a generic name, it will not stand out like a non-generic name like Google or Xerox or Kodak or Pixar.

There are situations in which a generic name might work, provided it is a one-word name, a word that is used out of context (like Apple for a computer company or Cougar for a logistics company), or a word that gives a sense of what the brand does.

Finally, you must be the first one in your category to use and claim it.

You can also get away with a generic name if your competitors are all using unimaginative generic names but if they are, you should take the opposite position and create a catchy name to differentiate your brand.

You should also take steps to prevent your brand name from becoming a generic word because if it does, you would lose your trademark rights.

CASE STUDY

Ceil

To understand how Ceil – pronounced “seal” – came about, we have to go back to the invention of the lead acid battery. For those of us who slept through our science classes, a lead acid battery is the kind of battery used in cars. It is very heavy but relatively cheap and able to provide long discharges so it is also used to power electric forklifts.

The lead acid battery was invented by a scientist named Gaston Plante in 1860. Thirty-one years later, the Chloride Batteries company was established in the United Kingdom by two brothers, to manufacture and distribute lead acid batteries. The company became very successful and started expanding all over the world. According to sources from Chloride Batteries S.E. Asia, one of the brothers went to the United States and started another battery company called Exide.

Chloride UK ran into financial trouble in the 1960s and the company eventually folded. When that happened, the various subsidiaries of Chloride UK in all the markets outside the UK became independent of each other, but each had the right to use the Chloride name. Can you see the makings of a monstrous confusion? I was told by Sam Chaudhuri, Chief Operations Officer of Ceil, that there were probably around 13 baby Chlorides running around at the time of the break-up. The exact number was not easy to ascertain, given the chaos. It would have been comical, if the consequences of having so many battery companies called Chloride running around, bumping into each other, were not so devastating.

One of the Chlorides was the forerunner of Ceil, called Chloride Batteries S.E. Asia. It was headquartered in Singapore. To make things more confusing, Chloride Batteries S.E. Asia became the subsidiary of India’s No. 1 lead acid battery company, Exide Industries Limited. The Indian Exide was not in any way related to the Exide Technologies of America.

In India, an Exide battery (from the Indian Exide) was like the Mercedes-Benz of batteries. When I asked my colleagues and clients from India if this was true, they said, “But of course! In India, if you are not using an Exide battery, you are not using a real battery, you understand?” The good news was that Chloride Batteries S.E. Asia’s parent company in India had the market all sewn up. Now, it was up to Chloride Batteries S.E. Asia to tackle the international markets.

If you are confused, imagine what it must have been like for the buyers of lead acid batteries. Chloride Batteries S.E. Asia has told me it is very successful in lead

acid batteries for electric forklifts in Singapore; one of its biggest clients is Crown, the No. 1 electric forklift company in the world. However, Chloride Batteries S.E. Asia does not sell its forklift batteries under the Chloride brand but the Exide brand! When the company went to the Australian branch of Crown electric forklifts to market its forklift batteries, Crown Australia told its representatives, “But we are already using your batteries! Why are you still trying to sell us your batteries?” Imagine how difficult it must have been for Chaudhuri to explain to Crown Australia that the Exide batteries they were using came from Exide Technologies of USA and not from Chloride Batteries S.E. Asia. It was a circus.

Why didn't they just change the name? It would have been the obvious solution, right? Well, things were not so straightforward. There was plenty of brand equity in the Chloride name even after the original Chloride went belly up. So, none of the baby Chlorides were willing to give it up. Each was probably waiting to see if the others would give up the name. In the 1960s, if you were holding onto a powerful brand name like Chloride, you would have had to be very confident or a little nuts, or both, to give it up. The problem was never the Chloride brand name. Even now, the Chloride name has plenty of brand equity among B2B battery buyers – companies that make electric forklifts, electric reach trucks, uninterrupted power supply (UPS) systems, etc. The problem was – and has always been – the fact that so many companies had the rights to use the Chloride name and logo. And they are all competitors!

When I asked the management team how they managed to turn the company around, the answer was always the same: “Hard work, hard work and more hard work.” The company is now at a crossroads. Chloride Batteries S.E. Asia will become the international arm of Exide Industries Limited. This means it will have to expand into more markets. Expansion means it will run into more Baby Chlorides and it will get messy and bloody. The Chloride name, while still having plenty of brand equity despite the confusion in the market, will become a much bigger liability if Chloride Batteries S.E. Asia is to expand more aggressively.

The company needs a new name – one that cuts all ties to Chloride. It is a risky move. A new name means the company has to start from scratch. So, I asked the management to weigh the pros and cons of a name change. In a strategy meeting, when asked if a change of name was the right thing to do, the management team was split. Although the name was causing problems for the company, they were concerned that a name change might destroy the brand.

So, I phrased the question differently. The 11-member management team of Chloride Batteries S.E. Asia was asked: “If Chloride Batteries S.E. Asia had changed

its name to something else 10 years ago, would the company be doing better today?" The answer was a unanimous, "Yes!" When asked how much better they thought the company would be doing if the name had been changed 10 years ago, the answer was, "A lot better." So, the issue was settled. The company would change its name because it is the right thing to do.

The Importance Of The Name

A lead acid battery is a highly commoditised product. It is a low interest product – people never think about the battery until the car refuses to start one morning. It is also an invisible product, in that once installed in a car or forklift or reach truck or UPS system, it is hardly ever seen again. It is difficult to brand a product like that. You can try to differentiate the battery by design and that will get you part of the way, but a brand is an idea that exists in the mind and that idea is represented by a name. As such, the name of the battery is critical if Chloride Batteries S.E. Asia wants to establish the brand in the mind.

Besides being shared by all the baby Chlorides, the Chloride name also has one other big problem: It sounds too much like a chemical or a mineral. When I first announced that Chloride had engaged StrategiCom as its brand consultants, a few of my colleagues said, "Chloride? Why on Earth did you sign up a toothpaste company? We are a B2B branding specialist! We don't brand toothpaste." When this was mentioned to Chaudhuri in one of the strategy meetings, he smiled. "You see why I am in favour of a new name? People can even confuse us with toothpaste because they confuse Chloride with fluoride." That stuff in your toothpaste that strengthens your teeth is fluoride. Not chloride. (Yet again, I am tempted to put a smiley face at the end of this sentence but my publisher has said no.)

What Kind Of Name?

The most important attribute of a battery is that it must not break down on you. If it goes flat, you would end up going nowhere even if you were in the most technologically advanced car or forklift in the world. So, the name must conjure up the image that it is tough but yet not be blatant about it. And, in the world of batteries, a maintenance-free battery is preferred as it lasts longer. Maintenance-free batteries are also referred to as sealed batteries. The name Ceil – which is pronounced "seal" – is appropriate. It conjures up images of a sealed battery and the positive associations that come with that image.

The one thing that destroys battery life really quickly is vibration. Vibration will shake the antimony off the lead plates. Once that is gone, the battery dies. The name Ceil also conjures up images of a seal, which is an animal that has a thick layer of fat to insulate it against the harsh cold weather of its natural habitat. Because a seal is an animal that is so well-padded, it looks like it can withstand a bit of vibration without getting hot and bothered. So, the name Ceil is also good in that respect. But this association with the seal is a weaker one compared to the association with a sealed battery.

We can't take credit for this name, however. It was created by the Chloride Batteries S.E. Asia team. It is actually an acronym. We know acronyms generally don't make for good brand names unless it can be turned into a proper-sounding word – like laser, radar or NATO. Ceil is the acronym for Chloride Eastern Industries Limited, the holding company for Chloride Batteries S.E. Asia in Singapore. We tested the name and it worked out well, so the company is now known as Ceil. With this new name, the company can now expand more freely.

CHAPTER 10

Rule No. 7 – No Acronyms

WHAT do many companies with long, generic and unimaginative names do? They simply turn them into short, meaningless and equally unimaginative acronyms. I think the following scene has probably been played out in countless boardrooms all over the world, ultimately resulting in companies coming up with useless acronyms as their brand names. Let us take a look at what would happen at a senior management meeting at the International Aviation Engineering & Automation company. This is a fictitious company created for the purpose of illustrating the ‘No Acronyms’ rule of naming. Any resemblance to real companies out there in the real world is unintended.

The CMO:⁵⁶ We recently engaged a brand consulting firm to carry out research on what our customers think of us, and what they found is very interesting. While 65 per cent of our customers perceive us to be doing a better job than our competitors, 90 per cent said the first brand that comes to mind when they think of companies in this sector is our competitor.

The CFO:⁵⁷ Why is that so? If we are doing a better job than our competitors, shouldn’t our name come up first? The company with the better quality should be No. 1, and we have better quality. Something must be wrong with the way the research was carried out.

The CMO: That was what we thought at first. So, we decided to fire that brand consultant and get an even better one – a big international branding, advertising and marketing communications firm with an iron-clad reputation. They were given the same brief.

The CFO: And what did they find out?

The CMO: Well, it is a good thing we used a big consulting firm. They

⁵⁶ Chief Marketing Officer

⁵⁷ Chief Financial Officer

found out the same thing the other guys found out except this time around, they also discovered the reason behind it.

The COO:⁵⁸

And what would that be?

The CMO:

Our name! Our customers do not like our name. They said it is way too long, too complicated and, as a result, too hard to remember. That is why our key competitor came out tops in the recall test. They have a shorter name: Air Stealth. According to the research, the shorter name makes it easier to remember than International Aviation Engineering & Automation.

The HRD:⁵⁹

I see, I see. That makes sense. Maybe that is why I have been having such a hard time recruiting staff as well. They can't remember our name. So, what do we do now?

The Boss:

That is easy. We have to change the name! We need a shorter name. I have also been thinking about that for a long time. Even my wife has trouble telling people the name of my company and I have been the Chief Executive Officer for 16 years now. But it is a good thing our CMO got this global branding, advertising and marketing communications firm to carry out this piece of critical research. At least, now we know for sure.

The COO:

I have some concerns about this, Boss. Our name may be long and hard to remember but we have such a long heritage. The company has been around since 1945. If we change the name now, would not it sever our link to our rich heritage?

The CMO:

Yes, that was something that crossed my mind too. I discussed this with our consultant.

The COO:

And?

The CMO:

Our consultant proposed a name that would allow us to achieve the triple objectives of having a shorter name than our competitors, making it easier for customers to remember while still retaining the link to our roots.

The CTO:⁶⁰

What would that name be?

The CMO:

IAEA. It is the abbreviation of our name, using the first letter of each word. It is only four syllables long. And it retains the link to the original name. IAEA stands for International Aviation Engineering & Automation. What do you guys think?

⁵⁸ Chief Operating Officer

⁵⁹ Human Resources Director

⁶⁰ Chief Technical Officer

- The CTO: I like it! It is a great name. We are an engineering company and there are many engineering terms that are too long so engineers always use abbreviations. Your consultant is quite good.
- The Boss: Yes, yes. I am also quite happy with the name. Now, my wife should be able to remember the name of the company. It is embarrassing when your own wife can't tell people which company you work for and did I mention that I have been the CEO of this company for 16 years? What do you guys think of our new name? If you have any objections, let's hear them now because this is going to be a new chapter in our history.
- The COO: I like the name, Boss. Makes sense from an operational point of view. It is more efficient. We do not want to waste space on a long name. I say we go with the shorter name. It is about time, I think.
- The HRD: Yes, yes. I like it. Shorter is definitely better.
- The Boss: CFO, what do you think?
- The CFO: From a financial point of view, it makes sense. Our name is imprinted on all the components that we make and a shorter name will mean we save money on engraving our name onto all those metal parts.
- The Boss: Very well then. Great minds do think alike, it seems. We will officially change our name from International Aviation Engineering & Automation to IAEA then. Could somebody call my secretary into the boardroom?
- The Secretary: Yes, Boss? You wanted to see me?
- The Boss: Yes, yes. Please get the Board of Directors together as soon as possible. We have an important matter to present.
- The Secretary: May I ask what that is?
- The Boss: Yes! We are going to change our name to something shorter and easier for our customers and everyone else to remember. It will make us into a stronger brand. We want to shorten our name to IAEA.
- The Secretary: Errr ...
- The Boss: What?
- The Secretary: IAEA?
- The Boss: Yes! That is what I said!

The Secretary: But is that not the abbreviation of the International Atomic Energy Agency? I also remember seeing a few other companies with that name. Let me see if I can remember some of them: International Aluminium Exporters Association? Immaculate Avionics Engineering & Assembly? Illinois Artists & Entertainers Assembly? I am sure there are a few more. I get all these e-mail advertisements and direct mail flyers that I have to open and read to decide if they are worth putting into your inbox, Boss, and that is how I know of them. If we were called IAEA, would we not be confused with all the other companies using IAEA in the market?

The Boss: Hmm ... That is going to be a problem. CMO, what do you think?

The CMO: Not a problem, Boss. We can still differentiate ourselves. There are no other companies in our industry with the name IAEA. We checked. We are safe. But to differentiate us further from the other IAEA companies in the market, we can call ourselves IAEA Aviation Corporation. Problem solved.

The Boss: Excellent idea! Problem solved. Let's get the Board to approve this ASAP. Secretary, what are you still standing here for? Go, go, go!

The Secretary: Yes, sir ...

I have exercised a bit of creative licence with the above story, of course, but the reality is not far off. The fact is, many companies find themselves using meaningless acronyms as brand names. At the time of writing, M1 was running an advertising campaign based on the theme, "Some Companies Just Do Not Get It". In one of the TV commercials, three guys and their boss are having a meeting.

The three guys tell their boss that from their research, they found out that people like to share things with their friends. So, they created a multi-mug with three handles for three people to share. The boss looks at the multi-mug, rubbs his chin and asks, "What if more people want to share?" One of the guys says, "Glad you asked. That is why we came up this." The boss is shown a mug with four handles. He looks at it and says, "I think we have a winner." The three guys go wild with joy.

The voiceover: “Some companies just do not get it. For a better way to share, get the M1 Sun Share plan, where up to four people can share the talk time.”

That M1 advertisement got one thing right, in that some companies just do not get it. One of the things they do not get is that acronyms simply do not make for very good brand names. I am happy to note that in the last two years, companies in Singapore have been starting to get it. When I first started talking about this at public seminars in 2005 as part of my brand training programme, I met with a lot of resistance and incredulity. So, why am I against the use of acronyms?

WHAT IS THE DEFINITION OF AN ACRONYM?

Before I launch into the reason acronyms do not make for good brand names, let me first define what an acronym is. According to Bartleby, an acronym is “an abbreviation coined from the initial letter of each successive word in a term or phrase.”⁶¹ IAEA is an abbreviation coined from the first letter in each of the words that made up International Aviation Engineering & Automation.

Generally, an acronym that is made up solely of the first letter of the major words of a name is rendered in capital letters – WTO for World Trade Organization, IBM for International Business Machines, KFC for Kentucky Fried Chicken, IMF for International Monetary Fund, UPS for United Parcel Service, BBC for British Broadcasting Corporation and suchlike. An acronym made up of more than the first letter of the major words is rendered with only an initial capital letter, such as Comsat for Communications Satellite Corporation or Intel for Integrated Electronics.

Some of you might be thinking, “Wait a minute! Some of the acronyms you mentioned like IBM, KFC and UPS are great brands and highly successful companies. Why can’t we use acronyms like those companies?” That is an excellent question, and it is asked of me every time I get onto a stage and say, “You must not use an acronym as a brand name.” I will answer that in the latter part of this chapter. The answer is not a pleasant one; it might burst an ego or two. First things first: I would first like to deal with the disadvantages of using an acronym as your brand name.

⁶¹ www.bartleby.com/151/1000.html

ACRONYMS CAN STAND FOR ANYTHING

When you see the acronym WTO, what do you think of? Unless you have been living in a cave on a deserted island for the past 30 years, you would know that WTO is the World Trade Organization. But the acronym WTO can stand for many different things, one of which is World Toilet Organization. Go ahead and laugh till your stomach hurts and your eyes water. Once you are done with that, I will tell you the truth behind the initials of WTO.

For those of you who do not know Jack Sim, I have a story to tell. Jack Sim, a Singapore entrepreneur, used to run a company called Besco, which sold everything that had anything to do with toilets. He had a passion for toilets, so much so that some years ago, he turned Besco over to his partners to manage so that he could start his own WTO. In his case, WTO stood for World Toilet Organization. When I was asked to meet with the WTO in 2004 because it was interested in branding, my first question was, “Why does the World Trade Organization want to do branding? They are already a strong brand.” My boss at the time said, “Not that WTO! This one is the World Toilet Organization. And yes, I am serious. This is not an April Fool’s joke.”

The World Toilet Organization is a bona fide organization that is headquartered in Singapore. Its purpose is to promote good public toilet design by showing commercial building owners and shopping centres how good toilet design actually benefits them financially and in terms of brand reputation. When I first met Sim, the World Toilet Organization was lobbying the Singapore government to pass a law making it mandatory for female toilets to be around 40 per cent bigger than male toilets. Ladies need more space as they tend to carry more things and they have to urinate sitting down. Sim also mentioned that good toilet design encourages good toilet habits. You will be hard pressed to meet another person on this Earth who is as passionate about toilets as he is.

The point of this story is that acronyms can stand for anything. I am sure the World Trade Organization would hate to be confused with the World Toilet Organization but because the World Trade Organization is *the* World Trade Organization – and it is *the* one and only – it is alright for them to use an acronym. And they were the first to claim that acronym, so that also makes WTO the acronym that rightfully belongs to the World Trade Organization.

ACRONYMS SHOULD BE AVOIDED

If you were running a private sector company, I would advise you avoid acronyms for these reasons:

1. It Would Be Hard To Own The Acronym

Because acronyms can stand for anything, it would be hard for you to claim an acronym as belonging to you. An acronym is hard to burn into the mind because it is open to interpretation. Just as IAEA can stand for many different things, your acronym can be interpreted differently by different people. This makes it very difficult to make an acronym stand for one thing. Not impossible but very difficult. To build a strong brand, you need to make your brand stand for one thing and one thing only in the minds of customers. For example:

- Sikorsky stands for helicopters.
- Apache stands for attack helicopters.
- Boeing stands for commercial jets.
- Gulfstream stands for business jets.
- Lear stands for private jets.
- Bosch stands for power tools.
- Black & Decker stands for D.I.Y. power tools.
- DeWalt stands for professional power tools.
- Milwaukee stands for ergonomic power tools.
- Craftsman stands for manual tools.

These are strong brands because they each stand for one thing and one thing only in the minds of their customers. And because they each have a proper brand name that is not an acronym, it is much easier for them to burn their brand name into customers' minds as standing for the thing they want the brand to stand for.

If DeWalt had decided to use a name like Power Tools of America, what would have happened? The name would have been too long and generic to be of much use in brand building, so they might have shortened it to PTA. It would have been harder to make PTA stand for professional power tools than DeWalt because PTA is an acronym that can stand for anything. PTA? Parent-Teacher Association? Oh yes, if you have kids, you might think that, especially in America.

2. It Would Be Hard To Differentiate With An Acronym

In 2007, there were 147,000 small and medium-sized enterprises (SME) in Singapore, or so I have been told. In most countries, the SME sector accounts for about 90 per cent of all companies although they typically contribute only between 20 and 30 per cent of the Gross Domestic Product (GDP). In 2008, I learned from SPRING Singapore – the government agency tasked with helping Singapore SMEs become more competitive – that there were 154,000 SMEs. This number will no doubt grow steadily over time. With so many companies in the tiny Singapore market – 4.6 million people – how would you stand out with an acronym for a name?

If you had a host of companies called IAM, IBM, ICM, IDM, IEM, IFM, IGM, IHM, IIM, IJM, IKM, ILM, IMM, INM, IOM, IPM, IQM, IRM, ISM, ITM, IUM, IVM, IWM, IXM, IYM and IZM in the market, who would stand out? Possibly only IBM. The rest with similar initials would get lost in the sea of alphabet soup. The problem with acronyms is that anyone can use the same three initials as you. Let's go back to the IAEA example. There might be a host of companies using IAEA but perhaps not from the same industry. So, in an attempt to differentiate your IAEA, you attach "Aviation Corporation" to the name, which defeats the purpose of shortening the name in the first place.

Branding is all about differentiation. If you are not differentiated – if people cannot perceive a meaningful difference between you and your competitors – you will be forced to sell cheap. If you think you can successfully compete on price and still make a decent profit, go ahead. You do not need to have a strong brand because there will always be people who will buy from the cheapest source. If you can't compete on price, you have to differentiate yourself, and that is not going to happen with a set of initials that can stand for anything.

What Is A TCC?

I spent much of my weekends working on this book at cafés all over Singapore. One I frequently went to was TCC. The German Blend there is a great-tasting coffee – when they get it right. The food is quite decent and the ambience is nice (as long as there are no parents who allow their screaming kids to run all over the place, and there are usually one or two).

What is TCC? Apparently, TCC itself is not sure. If you frequent TCC, you will notice that a whole bunch of things TCC could stand for is listed on the paper napkins:

- The Coffee Connoisseur
- Top Coffee Connoisseur
- Tantalising Coffee Concoctions
- Trusty Choice Companion
- Tie Coat Casual
- Total Complete Contentment
- Trademark Classic Coffee
- The Cuppas Cuppa.

That is the thing! If you use an acronym like TCC, it can stand for many different things. While it might look like a clever idea at first, it actually is not. I have met many companies whose executives argue that having an acronym is useful because it gives the company flexibility to be whatever it wants to be. Many of these companies are just that – companies. They will never become brands, let alone strong brands, because they stand for everything. They sell everything. Whatever makes them money today will be what they sell. That is why they do not want a name that will tie them down to a particular category. If such companies could use an acronym that could stand for many different things, they would. But they will never become a brand.

I am not saying TCC is lousy. I like the place. I just do not like the name. It could stand for anything. To add to the list TCC has come up with, I could also add a whole other list:

- Tea & Coffee Company
- Thailand Coffee Company
- Tea, Cakes & Crumpets
- Tomyam Chicken Company
- Tagalog Care Centre
- Tampines Community Club
- The Cheesecake Centre
- Top Childcare Centre

What Is An OTC?

When I recently met with Phillip Securities, one of Singapore's leading stock brokerages, I was told it had launched an innovative trading platform that allowed the unlisted securities of small and medium-sized companies to be bought and sold easily among investors. The platform was called OTC Capital. I immediately assumed OTC meant "over the counter", which is quite common in Western countries. To my surprise, I was told OTC in this case stood for something else.

I did some research on what people perceive of "OTC" – as in, "over the counter" trading – and this is what I found:

1. Investments in OTC companies may sometimes lead to complete loss of the investment.
2. Investors should avoid the OTC market unless they can afford a complete loss of their investment.
3. Very few OTC stocks are successful in moving from OTC to the major exchanges.
4. It is perceived that OTC stocks are either penny stocks or hold bad credit records.
5. OTC companies are perceived as low value.
6. OTC companies are perceived as either very new (inexperienced) companies or extremely close to going bankrupt.
7. OTC stocks are very risky stocks because there isn't a controlling body to oversee the securities industry.
8. Investors must be very cautious when trading the counter stocks because the prices can drop drastically.
9. OTC issuers are small companies that have limited operating histories.
10. It is difficult to determine the actual value of the OTC companies.
11. It is perceived that any security transaction that does not take place on a securities exchange occurs in the OTC market.
12. The OTC market has no central location.

I recommended that Phillip Securities change the name of OTC Capital to something else to avoid the potential confusion and problems that could arise from the name. An acronym can stand for anything. While it is true that you can make the acronym stand for anything good, it can also be associated with a lot of negatives in the minds of customers. When you have an acronym and do

not have a famous company like IBM, GE, KFC, BMW or UPS, you are going to run into trouble because you can't control what people perceive the acronym to mean.

ACRONYMS MIGHT STAND FOR NOTHING

Acronyms can stand for anything, which also means – more often than not – that they will stand for nothing. To build a strong brand, you need to make your brand stand for one thing in the minds of your customers. Not two, not 10, not 100. One thing. The world's best brands are the brands that understand this simple principle. If you stand for nothing, you do not have a brand. If you stand for everything, you also end up representing nothing. To build a strong brand, your brand must mean something to your customers. To mean something requires that you focus the brand. Focus, in turn, requires sacrifice. If you stand for a certain thing, you are standing against something else. If you are a pro-life person, you must be anti-abortion. You can't be both. Brands that try to be everything end up being nothing.

Apple is such a strong brand because it has resolutely stood for one thing and one thing only. Since the very beginning, Apple has focussed on making cool and user-friendly gadgets for consumers. Because of that, Apple had to sacrifice something. It chose to sacrifice the corporate market. That is why Apple is strong. It stands for something. But if Apple had chosen an acronym as a brand name, its job would have been much harder. If Apple had been called UFC – for User Friendly Computers – it would have ended up with a set of meaningless initials. When presented with “UFC”, people would not know what it meant: Universal Football Company? Ultra Fast Communications? Unidentified Flyer Corporation? A set of initials can be meaningless except to the employees of the company. And that is bad for business.

Acronyms are like the proverbial Jack Of All Trades But Master Of None. If a company came up to you and told you it could provide end-to-end business solutions for your business, what would you think? You would ask this company what it meant by end-to-end business solutions, right? This company might then proudly tell you it could set up your computer network, do your accounts, handle your advertising needs, train your employees for better performance or clean your toilets. What would you think? “Hmm ... If you stand for all those things, you are probably not good at any. I'd better go to your competitor.” An acronym is the same. Because it can stand for so many things, it ends up standing for nothing.

To build a strong brand, you need to stand for something so that your brand will be firmly entrenched in the minds of customers. When you stand for something, it is easier for customers to pigeonhole your brand in the mind. Volvo = Safety. Xerox = Photocopiers. Otis = Elevators. Sun Microsystems = Servers. Banyan Tree = Resorts. Eu Yan Sang = Traditional Chinese Medicine. Robitussin = Cough Medicine. Viagra = Performance. Osim = Massage Chairs. Creative Technology = Sound Cards. To stand for something, you should not use an acronym as a brand name because acronyms stand for nothing most of the time.

If you are still not convinced, take a look at the brands around you. What are those that resonate with you? They would be the brands with proper names. What are the brands that typically draw a blank? Most of the time, brands with acronyms for names.

ACRONYMS BETRAY YOUR LAZINESS AND LACK OF IMAGINATION

In branding, perception is reality. That is Rule No. 1.⁶² Your brand is whatever people perceive it to be. If your brand is perceived to be good, it is good. If it is perceived to be bad, it is bad. It does not matter what you say your brand is. All that matters is what other people perceive it to be.

YOURBRANDISNOWHERE

It does not matter what I say the above sentence is. All that matters is what you perceive it to be. If you perceive it to be, “Your Brand Is Nowhere”, that is what it is. If you perceive it to be, “Your Brand Is Now Here”, that is what it is. Perception is reality.

Many CEOs have been terribly upset and angry when the results of the Perception Audits conducted on their brands show what they think their brand is all about is not the same as what their customers perceive. But in branding, perception is reality. I am not saying that quality, service and people are not important; these are considered hygiene factors. They are must-haves. What is even more important is creating the perception that you have quality, service and people that are better than your competitors.

I am happy to note that after all these years of harping on this message, more and more companies are starting to get the idea. You probably already know this and you work hard to create a great perception of your company’s

⁶² Jacky Tai & Wilson Chew, *Transforming Your Business Into A Brand*, Marshall Cavendish (2007)

brand. But your competitors are also doing the same because any book on the subject you can buy and read is also available to your competitors. How do you win?

For a start, do not sabotage yourself by using an acronym. Business is tough enough without having to compete with a ball and chain strapped around your ankle. You also do not want to create the perception that your company is lazy and unimaginative. That would be like the kiss of death for any brand. But many companies unwittingly send out that message by saddling the brand with an acronym for a name.

Customers may not consciously think of you as unimaginative and lazy, but branding works on the subconscious as well. If you analyse the way you think, you will probably find this to be true. In the course of your work, you sometimes need to buy things for your business and sometimes you have to sell things to customers. When you need to buy something – for example, an industrial control solutions for your laser welding machines – and you are presented with a choice of suppliers including IC&C, ATT, BPC, LCU and Honeywell, who are you more inclined to buy from? Honeywell, of course. It sounds like a proper brand. You would probably think the companies using acronyms can't be too good. Why? They use acronyms. If you think that way, so will your customers. You work hard to make it easy to buy from you. Do not give them a reason not to buy from you. You also work hard to create a positive perception of your brand. Do not sabotage this effort by using an acronym for a brand name.

BUT WHAT ABOUT IBM?

When I advise against acronyms, CEOs fire off questions like, “Jacky, you said we can't build a strong brand using an acronym. I am sure you would agree IBM is a strong brand. After all, you said nobody gets fired for buying IBM. On top of that, what about brands like GE, BMW, KFC, UBS, UPS, DHL, HSBC? These are all strong brands, right? And they use acronyms, right? So, why can't I use an acronym and build a strong brand?” They sit back with a smug look on their faces, waiting for me to stumble over an answer, thinking, “What does this punk know about branding? I have been in business for 30 years.”

Most of the time, that smugness evaporates quicker than a drop of water falling into an erupting volcano. My reply: “Well, Mr CEO, you certainly know a strong brand when you see one. All those brands you mentioned are, indeed, very strong brands that use acronyms as their names.”

I usually pause for a few seconds for the words to sink in before continuing, “But you are not IBM. You are not GE. You are not HSBC. Not even close. If you are as big as those global giants, you could use a meaningless acronym as a brand name and get away with it. But you are not.

“Companies like IBM, GE and HSBC started a long, long time ago. GE, for example, is over a hundred years old, having been established in 1876 by Thomas Alva Edison who invented the light bulb, as you probably know. When these companies were born, they had no competitors or very few. In fact, there was a point in time when GE was afraid of having no competitors because in the United States, if you had no competitors, you might be forced to break up under antitrust laws. In those days, GE probably saw competitors like Emerson Electric as more of a necessity than an enemy.

“These companies have had a long, long, long time to build their initials into strong brands. You are competing in the 21st century business landscape. You not only have competitors, you are faced with hypercompetition. What you can do, they can do, and they can do better or cheaper or both. If you try to build a brand under such circumstances with acronyms, I am afraid you are going to run into more brick walls than you would like.”

If you have had a hundred years to build your brand and you have been very diligent about doing so, you might be able to get away with an acronym for a brand name. However, even companies with a long heritage may not be able to get away with an acronym unless they have been actively building their brand through the decades. This is a brutal world. Even if you had entered the market a long time ago with a set of initials, that is no guarantee of success. You need to become big so that your initials mean something. Remember the story of the two GEs – the General Electric of USA and the General Electric of UK? They came into the market at around the same time, but the American GE became bigger and hence was seen as the rightful owner of those initials. The British GE had to abandon the name and find a new one, Marconi. So, if you were, for example, Great Eastern – Singapore’s leading insurance company – you would do well to avoid shortening your name to GE because somebody else has already done so.

THE FORTUNE 100 COMPANIES

The following table shows the Top 100 companies according to *Fortune* magazine.⁶³ They have a combined turnover of US\$6.1 trillion and combined

⁶³ *Fortune* (30 April 2007)

net profits of US\$493 billion – which is about 8.1 per cent of turnover. Take a look: How many use acronyms as brand names? GM, GE, HP, IBM, AT&T, UPS, TIAA-CREF and HCA are the only ones. Eight out of the 100. The other 92 do not. What does that tell you?

The companies using acronyms are very old companies that have had a long time to establish their initials as meaning something. That suggests you should seriously reconsider if you have an acronym as a brand name or if you are about to shorten your long and generic name to a set of meaningless initials. If you have a long and generic name, do not resort to acronyms. Change the name to something else. Change it to a proper brand name.

Some people would actually say that because 92 per cent of the Fortune 100 companies do not use acronyms, it would be a great idea to use an acronym because that would help differentiate your brand. Remember, however, that you have to be different with a great idea and not a dumb one, and using an acronym when everyone else has a proper name is just being different dumb. Definitely not something I would recommend.

<i>Rank</i>	<i>Brand</i>		
1.	Wal-Mart	23.	Altria Group
2.	Exxon Mobil	24.	Goldman Sachs Group
3.	GM	25.	Procter & Gamble
4.	Chevron	26.	Kroger
5.	Conoco Phillips	27.	AT&T
6.	GE	28.	Boeing
7.	Ford Motor	29.	AmerisourceBergen
8.	Citigroup	30.	Marathon Oil
9.	Bank of America	31.	State Farm Insurance
10.	American International Group	32.	Costco Wholesale
11.	JP Morgan Chase	33.	Target
12.	Berkshire Hathaway	34.	Dell
13.	Verizon Communications	35.	Wellpoint
14.	HP	36.	Johnson & Johnson
15.	IBM	37.	MetLife
16.	Valero Energy	38.	Sears Holdings
17.	Home Depot	39.	Pfizer
18.	McKesson	40.	Dow Chemical
19.	Cardinal Health	41.	Wells Fargo
20.	Morgan Stanley	42.	United Technologies
21.	UnitedHealth Group	43.	UPS
22.	Merrill Lynch	44.	Walgreen

45.	Lowe's	74.	DuPont
46.	Wachovia Corp.	75.	Hess
47.	Lehman Brothers	76.	Federated Dept. Stores
48.	Time Warner	77.	Cisco Systems
49.	Microsoft	78.	New York Life Insurance
50.	Freddie Mac	79.	American Express
51.	CVS/Caremark	80.	TIAA-CREF
52.	Motorola	81.	Washington Mutual
53.	Sprint Nextel	82.	Hartford Financial Services
54.	Medco Health Solutions	83.	Delphi
55.	Caterpillar	84.	Comcast
56.	Safeway	85.	Aetna
57.	Lockheed Martin	86.	Tyson Foods
58.	Caremark Rx	87.	HCA
59.	Archer Daniels Midland	88.	News Corp
60.	Sunoco	89.	Travelers
61.	Allstate	90.	Massachusetts Mutual Life Insurance
62.	Intel	91.	Countrywide Financial
63.	Pepsi	92.	General Dynamics
64.	Walt Disney	93.	International Paper
65.	Sysco	94.	Coca-Cola
66.	Prudential Financial	95.	Liberty Mutual Insurance
67.	Johnson Controls	96.	Raytheon
68.	FedEx	97.	3M
69.	Honeywell	98.	Deere
70.	Ingram Micro	99.	Merck
71.	Alcoa	100.	Halliburton
72.	Best Buy		
73.	Northrop Grumman		

Is It Okay For Clients To Use An Acronym To Refer To Your Brand?

The other thing about the companies with acronyms on this list is that some of them actually started with a generic name like General Motors and General Electric. Because they got into the market early, their brands became very well-entrenched in the minds of people. Over time, due to the familiarity, people started using acronyms as the short form for these names. It is okay for your customers to use an acronym to refer to your brand. That is a sign of familiarity. It is a sign of acceptance. It is also a sign that they are comfortable enough with the brand to call it GM or GE. It is what friends do to each other. If your name were Jamie Cunningham, people close to you might refer to you as JC. That is perfectly fine.

THE 100 MOST VALUABLE BRANDS IN THE WORLD

The following table shows the *BusinessWeek* Top 100 Global Brands⁶⁴ according to their brand value, which is based not just on company turnover and profits alone. If you look at the table, you will find that out of the Top 100, 15 use acronyms as their brand names. These are IBM, GE, HP, BMW, HSBC, UPS, SAP, UBS, AIG, AXA, MTV, KFC, ING, BP and LG. Again, these are old and well-established brands that have had a long time to build their initials as standing for something.

These companies also tend to be highly focussed – at least they were when they first started. And they tend to have been the first in the market for their products or services. IBM dropped everything else to focus on mainframes because it saw the potential of computers. That focus made IBM a powerhouse in computers. GE was the first in the market with the light bulb and GE eventually dominated the market. UPS was the first to focus on parcel deliveries through its ground service. SAP was first in enterprise resource planning software. KFC was, of course, first in fried chicken. BMW was the first to make sports saloons – luxury cars meant to be owner-driven instead of chauffeur-driven. HP was the first to launch a commercially viable desktop laser printer.

These brands overcame their acronym handicap by:

- Getting into the market early and establishing their brand in the minds of customers before competitors could do so.
- Having a laser sharp focus that allowed the brand to stand for something in the minds of their customers.
- Creating a new category of products or services that allowed them to create the perception that they were market leaders or innovators.

Rank	Brand		
1.	Coca-Cola	11.	Citi
2.	Microsoft	12.	HP
3.	IBM	13.	BMW
4.	GE	14.	Marlboro
5.	Nokia	15.	American Express
6.	Toyota	16.	Gillette
7.	Intel	17.	Louis Vuitton
8.	McDonald's	18.	Cisco
9.	Disney	19.	Honda
10.	Mercedes-Benz	20.	Google

⁶⁴ "The 100 Top Brands", *BusinessWeek* (6 Aug 2007)

21.	Samsung	61.	Gap
22.	Merrill Lynch	62.	Amazon.com
23.	HSBC	63.	Nestle
24.	Nescafe	64.	Zara
25.	Sony	65.	Avon
26.	Pepsi	66.	Caterpillar
27.	Oracle	67.	Danone
28.	UPS	68.	Audi
29.	Nike	69.	Adidas
30.	Budweiser	70.	Kleenex
31.	Dell	71.	Rolex
32.	JP Morgan	72.	Hyundai
33.	Apple	73.	Hermès
34.	SAP	74.	Pizza Hut
35.	Goldman Sachs	75.	Porsche
36.	Canon	76.	Reuters
37.	Morgan Stanley	77.	Motorola
38.	Ikea	78.	Panasonic
39.	UBS	79.	Tiffany & Co.
40.	Kellogg's	80.	Allianz
41.	Ford	81.	ING
42.	Philips	82.	Kodak
43.	Siemens	83.	Cartier
44.	Nintendo	84.	BP
45.	Harley-Davidson	85.	Moët & Chandon
46.	Gucci	86.	Kraft
47.	AIG	87.	Hennessy
48.	eBay	88.	Starbucks
49.	AXA	89.	Duracell
50.	Accenture	90.	Johnson & Johnson
51.	L'Oreal	91.	Smirnoff
52.	MTV	92.	Lexus
53.	Heinz	93.	Shell
54.	Volkswagen	94.	Prada
55.	Yahoo!	95.	Burberry
56.	Xerox	96.	Nivea
57.	Colgate	97.	LG
58.	Chanel	98.	Nissan
59.	Wrigley's	99.	Polo Ralph Lauren
60.	KFC	100.	Hertz

Having said that, you also can't ignore the fact that 86 per cent of the 100 most valuable brands in the world do not use acronyms as their brand names. While there is no guarantee that you will become a top brand by simply not using an acronym as your brand name, you can certainly improve your chances by having a proper name. A good brand name will, at least, not get in the way of your brand building efforts. If 86 per cent of the most valuable brands in the world do not use acronyms, why should you?

Even if you are fortunate enough to have been first in the market or to have created a new category that would allow you to be first in something, try not to use an acronym. That would just make it harder to build the brand.

ACRONYMS THAT MIGHT WORK

There is a type of acronym that might work as a brand name – one that actually forms a proper word or a made-up name. That means the acronym must not be made up of initials only. For example, the full name of the founder of StrategiCom is Wilson Chew Huat Chye. If he started a new company tomorrow and named it after himself using his initials, we would end up with a company called WCHC. It would be a meaningless set of initials as these could not form a word.

Discussed below are some famous acronyms that have worked because these actually formed unique words and, as a result, became acceptable as good brand names.

Laser⁶⁵

The term "laser" is quite a common word today. It is actually the acronym for Light Amplification by Stimulated Emission of Radiation. The acronym is a proper two-syllable word that actually sounds quite exciting. Even if you had no idea what a laser was when you first heard the word, I am sure you would have thought it referred to something high-tech and ultra-advanced.

The first working laser was demonstrated on 16 May 1960 by Theodore Maiman at the Hughes Research Laboratories. Since then, lasers have become a multi-billion-dollar industry. The most widespread use of lasers is in optical storage devices such as compact disc and DVD players, in which the laser (a few millimetres in size) scans the surface of the disc. Other common applications are in bar code readers, laser printers and laser pointers.

⁶⁵ <http://en.wikipedia.org/wiki/Laser>

Lasers are also used for cutting steel and other metals and for inscribing patterns (such as the letters on computer keyboards); by the military for range finding, target identification and illumination for the purpose of weapons delivery; and in medicine for internal surgery and cosmetic applications.

Radar⁶⁶

Radar is a system that uses electromagnetic waves to identify the range, altitude, direction or speed of both moving and fixed objects such as aircrafts, ships, motor vehicles, weather formations and terrain. “Radar” was coined in 1941 as an acronym for Radio Detection and Ranging. A radar system has a transmitter that emits either radio waves or microwaves that are reflected by the target and detected by a receiver, typically in the same location as the transmitter. Although the signal returned is usually very weak, it can be amplified. This enables the radar to detect objects at ranges where other emissions, such as sound or visible light, would be too weak to be detectable.

“Laser” and “radar” could be proper brand names as these acronyms form proper words.

NATO

NATO – North American Treaty Organization – is an example of an acronym that could be successfully used as a brand name, although there have jokes labelling NATO as “No Action Talk Only”, but that is not the fault of the name.

Alfa Romeo

Alfa Romeo, one of the most charismatic car brands in the world, was also formed from an acronym. The company was founded in 1910 and originally known as A.L.F.A., an acronym for Anonima Lombarda Fabbrica Automobili – which is Italian for The Lombard Automobile Factory, Public Company. In 1915, the company came under the direction of Nicola Romeo, and in 1920 the name was changed to Alfa Romeo.

Intel

Intel is not the typical acronym. It comes from the words “Integrated Electronics”. It is more of a contraction. But it is also a type of hybrid acronym – like Comsat, which stands for Communications Satellite Corporation.

⁶⁶ <http://en.wikipedia.org/wiki/Radar>

MADD

This is a great acronym, in my opinion. Mothers Against Drunk Driving not only forms a word that can be pronounced but it is extremely appropriate as it conjures up images of mothers who are really fed up with drunk drivers because these drunkards have cost them the lives of their children. It is a powerful acronym and a powerful name, as a result.

In a nutshell

Acronyms make for lousy brand names because, as far as your customers are concerned,

- they could stand for anything;
- they could mean nothing;
- they betray your laziness and lack of imagination in coming up with a proper brand name.

There are some very strong brands in the world such as IBM and GE that use acronyms but these brands have been around for a very long time. When they first came into the market, they did not have many competitors and there were far fewer companies overall than now. They could grow up relatively unmolested by competition.

Brands that have succeeded despite using acronyms are usually:

- a) very old;
- b) very focussed; and
- c) brands that created a new category of products or services.

Out of the Fortune 100 companies, only eight per cent use acronyms, and out of the *BusinessWeek* Top 100 Global Brands (by value), only 14 per cent use acronyms. There are acronyms that can work as brand names, provided they form complete, proper and unique words like LASER, RADAR, LASIK, LIDAR, NATO, ASEAN and UNICEF.

CASE STUDY

Goldbell

Goldbell Engineering Pte Ltd is a Singapore company established in 1980 as the authorised distributor of industrial equipment and commercial vehicles such as Mitsubishi Fuso trucks and buses; Komatsu forklifts; Kato cranes; Airman compressors; Fiat commercial vehicles; Jinhua forklifts; XCMG cranes; CAMC trucks; and King Long buses. Goldbell's vision is to be the brand behind the top industrial equipment brands, and its mission is to help clients use their resources better by providing them with the right industrial equipment, the best buy/lease plans and the gold standard in after-sales service.

Goldbell supplies its industrial equipment and commercial vehicles to a wide variety of industries – construction, logistics, warehousing, manufacturing, food and beverage and petrochemicals, as well as the government sector and statutory boards. Its clientele includes the Port of Singapore Authority (PSA), SingTel, Singapore Power, ST Logistics, Sony Logistics and Shell Eastern Petroleum, among others.

To support its clients' operations better, Goldbell has evolved over time. It has built up an extensive after-sales service with strategically located workshops islandwide and a wide dealer network, plus a spare parts division that provides a strong parts support infrastructure. Goldbell is an ISO9001:2000 certified company.

Out of its total staff strength of 400 people, 250 are dedicated to its support functions. With a 24/7 service centre, highly-trained staff, close working relationship with principals, genuine parts, sophisticated diagnostics equipment and a spacious 192 square metre Drivers' Hub for its clients to relax in while waiting for their trucks to be serviced, Goldbell has gained a strong reputation as a reliable and innovative supplier of industrial equipment.

With more and more of its clients moving toward an asset-light structure, Goldbell started a leasing division to help them gain access to quality equipment without the burden of ownership. Today, Goldbell owns the largest fleet of trucks and forklifts for lease in Singapore. It has 2,900 trucks and 800 forklifts. Goldbell sees this as a growing category and is well-positioned to take advantage of this long-term trend towards asset-light structures. The company also has a fleet of 300 cars, which it leases to multinational corporations for their executives to use.

Additionally, Goldbell is a pioneer in aviation equipment leasing in South East Asia. It is the first company to lease pull tractors (such as the one used to move the giant Airbus A380 between the runway and the terminal/hangar) and ground

power units to Singapore Airlines. As Goldbell's turnover and asset base have steadily increased over the years, the company has expanded its operations to China and Vietnam. In 2007, the company recorded a sales turnover of S\$240 million and a net profit before tax of S\$17 million.

Goldbell's long-term plan is to lessen its dependence on the Singapore market and derive an increasing percentage of its revenue from international markets. The company is in the process of building a stronger corporate brand that will allow it to compete more effectively in international markets. It is also considering a listing on the Singapore Exchange (SGX) to raise more capital to fuel international expansion.

The Origins Of The Name

Contrary to what many people think, Goldbell is a name that had its origins in the Chinese language or, more specifically, the Hokkien dialect. The founder's name was Chua Kim Cheng. He did not want to use his Chinese name because he figured it might be difficult for customers or principals from other countries to pronounce. Since Goldbell has business dealings with Japanese companies, Chua wisely chose to use an international-sounding name that was easy for most people to pronounce.

The name "Kim Cheng" in Hokkien literally means "gold bell", and that is where the company got its name. When we first met the founder's son, William Chua, who is now managing the business, we thought to ourselves that the name was rather clever. Translating the founder's name into English created a name that was easy to pronounce and memorable. Memorable? How can such a name be memorable, since Goldbell is a rather generic and common word?

Yes it is, but after reading the story of how the Goldbell name came about, would you forget it? Unlikely. The name is the ideal length – verbally and physically. It is made up of two syllables, and each half has four letters. Excellent. And the name is memorable because of the way it was created. People like to hear stories. The better the story, the better they remember it. A brand needs a story as well, and Goldbell has this interesting story of how its name came about. It needs to dramatise this story – make it larger than life and communicate it clearly at all customer touch points. If this is properly done, Goldbell would not be just another two-syllable word: It would become a name with a meaning.

There are other brands in the world with the same name. However, within its industry, the name is unique to Goldbell, which is a big plus. The company also does not own the dot.com suffix: www.goldbell.com belongs to another company. However, when I typed in "Goldbell" on Google while doing research for this book,

the website that ranked No. 1 was Chua Kim Cheng's Goldbell, and there were 95,800 hits on that search. I did the same search on Yahoo! and the results were similar: Goldbell Engineering came out tops. This is an impressive achievement. I don't know if things would have changed by the time you read this book. You can do your own search and see what you find.

Enhancing The Name

Goldbell is already a good name and it has a nice brand story that will make the name memorable if Goldbell is consistent in telling it. The company can make the name even stronger and better by finding a differentiating idea, dramatising that idea, and capturing it in a tagline accompanying its trademarked logo. At the time of writing, Goldbell had already embarked on a branding project to help it find that one powerful differentiating idea to give the brand an added advantage over its competitors.

Goldbell is already a strong brand in its key market – Singapore, but it has the potential to be much more. William Chua, its CEO, has said the company wants to stretch the brand as far as it will go. No limits have been set. They are just going to try their best to take the brand as far as it will go in the business of distributing and leasing industrial equipment. This is a smart approach, and the same one that took General Electric (GE) to such great heights under former CEO Jack Welch. In the book *Winning*, Welch wrote that he doesn't believe in setting targets. He believes in setting the strategy as well as the general direction for the brand, then going all out to see how far it can go. Goldbell is doing the same.

I am watching this brand with a lot of interest. As the company has already done so many things right since 1980, I believe it will continue that tradition as it expands its business into new international markets. With a stronger brand and proper differentiation, who knows how far it will go?

More information on Goldbell Engineering can be found at the company's website, www.goldbell.com.sg.

CHAPTER 11

**Rule No. 8 –
You Need Two Names**

I am not trying to turn you into spies but if you want to build a strong brand, you are going to need two very good names – a brand name and a category name. All strong brands have a great brand name that is tied to a great category name. Intel is a great brand name and it is very successful because its name is tied to a category called *computer chips*. Red Bull is tied to *energy drinks*. TSMC has a brand name that violates Rule No. 7 of naming because it is an acronym but it is still a fantastically strong brand that makes an average of 30 per cent in net profit margin year in, year out because it is tied to a category called *semiconductors*.

If you do not have a category name, what is your brand tied to? A brand needs to be tied to a category because the mind needs to categorise every brand it sees. Brands that are tied to a category can be easily sorted and categorised. Once the brand is pigeonholed in the mind, it becomes a strong brand – provided, of course, the pigeonhole you get locked into is a good one. Before we carry on, let us review how brands are built.

WHAT IS A BRAND?

As mentioned earlier, a brand is simply an idea you own in the minds of your customers. If you do not own an idea, you do not have a brand. At best, you have a weak brand. If your brand tries to own too many ideas – if you try to make the brand stand for too many things – you end up with no brand. You may have the brand name registered, but more important than registering the brand with the authorities is to register the brand in the minds of your customers. If the brand does not stand for an idea in the minds of your customers, it is not a real brand and is practically worthless.

FORTUNE FAVOURS THE FIRST

The best way to make a brand stand for an idea in the minds of customers is to get into the mind first, before those pesky competitors start showing up. By

the time they come knocking on your customers' doors, your brand had better already be firmly entrenched. Otherwise, life will get very difficult for you. What is the easiest way to get into the mind first? *Get into the market first.*

This is a controversial point. I have had very strong objections from Singapore business owners and CEOs. Many are visibly upset when I say that fortune favours the first brand to get into the market. In retrospect, I have realised this is probably because many of these companies are not first movers and they are nowhere near as big as the market leaders (usually American, Japanese or European multinationals) they compete with. They work hard – no doubt about that – and they genuinely believe that if they study the leaders and try to provide a better product at a lower price, they will win. Sadly, I have not come across any company that has succeeded in dethroning the leading brand – or even come close to doing so – using the better-and-cheaper strategy.

Better-and-cheaper does not work because customers think differently from companies. People tend to think like a company when they are trying to sell their products or services: “The best product (or service) will be No. 1. Therefore, we should focus on being better than the rest.” This is a noble thing to aspire to do. You should always – and I mean, always – benchmark against your competitors to ensure you are competitive in every way possible. But being better and cheaper than your competitors will usually not help you win if you are not the first in the market because customers do not think like companies.

Customers usually think: “The No. 1 brand must be the best.” Do you not think like that when you are trying to buy something for your company or even for personal use? Most customers do. They instinctively think the No. 1 must have done things right to become No. 1, so it must be good. Most people do not care that the No. 1 often became No. 1 because it got into the market first. That isn't fair! No, it is not, but these are the rules of branding. Branding is all about giving your brand an unfair competitive advantage.

You are better and cheaper so you should win, right? Well, you could say to a potential customer, “Do not buy from the leading brand because they are fleecing you. Buy from me. My product is better and I will give you a lower price. Look, my product has been proven to be 30 per cent faster, 50 per cent more long-lasting and yet it costs 20 per cent less!” Unfortunately, your potential customer would probably reply (or think), “If you are so good, why aren't you No. 1?” How would you respond? On top of that, the leading brands can

always copy what you do, and because they are the leading brands, people will think they came up with the idea – not you. The leading brands can match you and make a product that is also 30 per cent faster and 50 per cent more long-lasting, but the difference is they can probably charge 20 per cent more instead of 20 per cent less. That is the reality of business: Fortune favours the first.

You might argue that there have been as many first mover failures as successes and you would be right. I have never doubted that. I have seen my fair share of first mover failures. I have worked for at least one first mover failure and learned a great deal from that experience. Being first in the market is no guarantee of success. It is simply a licence for you to establish your brand in the minds of customers before anyone else.

If you do not exploit this licence, someone will take it from you and use it. Creative Technology got into the market with its MP3 player more than a year before Apple launched the iPod but the iPod got into the mind first so it won the MP3 war. Trek2000 got into the thumb drive market first but what is the brand that got into your mind first? For me, it was SanDisk.

To fully exploit the first mover advantage, a brand needs to drop everything else it is doing to focus on just one thing. IBM was not the first in the market for mainframe computers; UNIVAC got there first. But IBM saw the potential and dropped everything else to focus on the mainframe in the 1950s. IBM's CEO at the time, Thomas Watson Jr, knew the mainframe computer would make IBM's punch card calculators obsolete. He threw the company into overdrive by hiring 20,000 new employees and tripling the R&D staff to nine per cent of his workforce.⁶⁷ IBM might have gotten into the market later than UNIVAC with its 701 mainframe computer but it managed to get into the mind first because it focussed the brand on dominating that new category. This example again illustrates the importance of getting into the mind first. If UNIVAC, which was funded by Prudential Insurance and the US Census Bureau, had been as focussed and single-minded, it might have won.

Apple, too, saw the potential and dropped everything else to focus on the MP3 player, and it won big time. The iPod also produced a halo effect that rubbed off on the sales of Apple's desktops and laptops. If Creative Technology had done the same, the story of the MP3 might have been different.

A brand is simply an idea you own in the minds of your customers, and the best way to claim the idea you want is by getting into the mind first. The best way to get into the mind? Get into the market first and make full use of

⁶⁷ Todd G. Buchholz, *New Ideas From Dead CEOs*, Harper Collins (2007)

your first mover advantage. What if you are not first? I always tell companies they have two options. The first is to roll over and die, which is quite an easy thing to do but not as much fun. We will discuss the second option in the following section.

CREATE A NEW CATEGORY

There have been many companies who got into the market late and still managed to become strong global brands because they created new categories they could be first in. Many brands have made it big using this method. One example is the typewriter. Remington Rand was the leading brand in typewriters. Brother got into the market later but Brother had a new category to latch its brand onto – the *electric* typewriter. Remington Rand was the mechanical typewriter. Brother became a strong brand. Then Wang came along with a new type of typewriter, one so advanced that it was called a *word processor* – an entirely new category. Wang became a strong brand. Compaq soon came along with the *home personal computer* and established yet another new category. It became a strong brand because it was tied to that wonderful new category.

Brands are built on the backs of their categories, not the other way around. A new category generates a buzz, since people are basically curious about what is new and exciting. That is human nature. Nobody is interested in your brand or you. They are interested in what is new. So, when you have a new category, promote it aggressively. Use that new category to make the existing one obsolete. Let's say you were Brother, for example: You would promote your new category (the electric typewriter) and try to make the existing category (the mechanical typewriter) obsolete.

When you promote the category,

- the category will grow and your brand will grow along with it.
- people will see you as the leading brand of the category.
- your brand will be tied to this category in the minds of your customers.

When that happens, you will have a strong brand. When competitors appear on the horizon – and they always will – you would have long since established your brand in the mind. Your brand would be properly pigeonholed and it would be difficult for competitors to take away the idea that defines your brand.

When you promote the category and it grows, however, your market share will actually drop. Do not be alarmed. Some companies panic and start responding

to their competitors – who are usually cheaper – by cutting prices. Do not do that. Focus instead on promoting the category. That will cause people to see you as the leader. After all, who else would promote the category except the leader? When you promote the category, it will grow – slowly at first and picking up pace after a few years. It will become more attractive for competitors, so they will jump in. That will reduce your market share from almost 100 per cent to around 40 per cent in the long run. It is difficult for leading brands to own more than 40 per cent because of competition. But that 40 per cent will be much larger than the 100 per cent you had in the beginning because the category is bigger.

Before Rolex came along, the market for expensive Swiss watches was practically non-existent. It pioneered the category and promoted it. The category grew, and Rolex grew. Competitors started appearing and Rolex's market share probably fell, but Rolex makes more watches today than it did 100 years ago because the category has grown. And Rolex did not drop its prices. It never has.

Before Otis came along, the market for elevators was practically zero. It invented the elevator and promoted the category. Its invention made it possible for skyscrapers to be built. Can you imagine trying to walk up a flight of stairs to your corner office on the 60th floor of a downtown office? Neither can I. Otis promoted the category. The category grew. Competitors came along. Otis' market share dropped. But Otis is still No. 1 in the category. Today, its market share is only 27 per cent but it chalked up US\$10.3 billion in sales in 2006. At the time of writing, there were 1.9 million Otis elevators in operation around the world.⁶⁸ This is a far cry from the numbers in 1853, when it first started. Twenty-seven per cent of a multi-billion-dollar category is still better than 100 per cent of a \$10 million category, would you not agree?

THEY WERE NOT FIRST BUT ...

Not everyone can be the first in the market but anyone can create a new category. In this section, we will look at how some of the world's biggest brands came about because they created a new category, promoted it and linked their brands to it. You can do the same. The best thing is, it does not have to be a category dealing in high-tech or complicated things. I will show you a mixture of brands from the high-tech, low-tech and even non-tech sectors, as well as product and service brands.

⁶⁸ www.otis.com

Pepsi

Pepsi was not the first cola in the market. Coca-Cola got there first, and claimed it was “The Real Thing”. This put Pepsi in a difficult position. Pepsi wanted to remain in the cola category but it couldn’t be labelled “The Fake Thing”, so it sub-divided the category into old and young. Coke was the real thing but it was the old thing. Pepsi created a new category: *young people’s cola* and promoted it aggressively. That allowed Pepsi to pigeonhole its brand into the minds of cola drinkers alongside Coke. Even now, Coke goes into the pigeonhole marked “Real Thing”. Pepsi goes into the pigeonhole marked “Young Thing”.

Gatorade

Gatorade pioneered a new category called *sports drink*. It was not the first in the market but it was first in its category. When that category grew, Gatorade grew. Gatorade’s biggest challenger was Powerade, but even with the marketing muscle of Coca-Cola behind it, Powerade could not overtake Gatorade. That shows you how powerful your brand can be if you create a new category and tie your brand to it.

Dr Pepper

Dr Pepper pitched itself to the cola market, which might have seemed suicidal given that there were two Goliaths. But Dr Pepper created a new category. As its name suggests, Dr Pepper is a *spicy cola* and although you might think, “Who on Earth would want to drink something like that?”, Dr Pepper has proven its crazy idea works pretty well.

H&R Block

H&R Block used to be an accounting company that was no different from the countless other accounting firms already in the market. So, the founders Henry and Richard Bloch decided to focus the brand on *income tax preparation*. All it did was help people prepare their income tax returns. The company eventually extended this service to corporations. Today, H&R Block is a multi-billion-dollar company. By the way, I did not spell the founders’ names wrongly. These two brothers wisely changed the company’s name to “Block” because “Bloch” sounded too much like “blotched”. Who says accountants do not know anything about branding?

Charles Schwab

Charles Schwab was not the first stock brokerage in the market when it started in 1971. Many other big-name stock brokerages had already established themselves on Wall Street. Charles Schwab smartly decided against competing with these big boys head-on. It created a new category called *discount brokerage*, offering rock bottom prices in exchange for no-frills service. When you buy stocks through Charles Schwab, you had better know what you are doing because it does not offer you advice. That might not be such a bad thing because stockbrokers are wrong as often as they are right. That new category turned Charles Schwab into a powerful billion-dollar brand. If it had created a me-too brand and pitched it to an already crowded category full of well-established stock brokerages such as Merrill Lynch, it would have had a hard time trying to link itself to the category.

FedEx

FedEx was not the first in the market for air express services but it focussed the brand on a new category called *overnight letters*: If you gave FedEx your letter by 5pm, it would be delivered anywhere in the continental United States by 10am the next day. This new category turned FedEx into a brand with US\$35 billion in annual revenue.⁶⁹ Its major competitor, Emery Air, who got into the market a good three decades earlier, is no longer around today.

Duracell

Duracell was also not the first appliance battery in the market. Eveready got there first. But Duracell created a new category called *alkaline batteries* and that grew rapidly. As a result, Duracell became a powerful brand. It became synonymous with batteries, so much so that when Energizer launched the 'Energizer Bunny' TV commercial campaign, 80 per cent of people surveyed thought the bunny was the Duracell bunny! Now you know why the Energizer mascot today is a battery with the word Energizer emblazoned on it.

The Body Shop

When the late Anita Roddick launched The Body Shop, it was not the first cosmetics brand in the market but it became a strong brand because it created a new category called *natural cosmetics*. Roddick promoted the category very aggressively, and the story of her worldwide travels to find suitable

⁶⁹ http://www.fedex.com/us/investorrelations/financialinfo/2007annualreport/online/fin_highlights.html

natural ingredients for her products further drove the brand into the minds of customers.

Southwest Airlines

Definitely not the first airline in the world, but Southwest Airlines is one of the most successful because it pioneered a new category called *budget airline* about 38 years ago. Its resolute focus on budget air travel has kept the brand very healthy while the rest of the US airline industry has been battered. Today, all budget airlines are modelled after Southwest.

Zara

Zara is a relatively young brand launched by Spanish apparel company Inditex. It is now one of the leading fashion brands in the world because of the new category it created: *just in time fashion*. Just in time? Sounds like something to do with Toyota's famous Kanban just in time manufacturing system, and yes, that is what Zara did. It shortened the time needed for the clothes to go from concept to store from nine months to just weeks.

Hotmail

Hotmail was not the first e-mail programme in the world but it became a strong brand that was eventually bought by Microsoft for a cool US\$400 million because it created a new category it could be first in: *web-based e-mail*. Hotmail also offered this service free of charge to users, preferring to make its money from advertising. This helped the brand to grow explosively. In its heyday, people would have looked at you funny if you did not have a Hotmail account.

Amazon.com

Not the first bookstore but it created a new category called *virtual bookstore* and the founder, Jeff Bezos, promoted the category aggressively. It made the brick-and-mortar bookstore seem so outdated. As a result, Amazon.com became a billion-dollar brand.

Xerox

Xerox's story is so famous you probably know it by heart. It was not the first photocopier in the market when its Type 914 photocopier was launched in 1959 but it was the first *plain paper photocopier*. Xerox ignored market research

that showed customers would not be willing to pay US\$0.05 (five US cents) for a plain paper copy because at that time, copies made by thermal paper photocopiers were only US\$0.01 (one US cent). The rest is history.

eBay

eBay was not the first auction house. There already were Christie's and Sotheby's, but eBay created a new platform: *online auction*. It became big. No other online auction brand even comes close to eBay.

Cray

Not the first, but Cray created its own category: *supercomputers* – ultra-fast and ultra-expensive computers that can perform billions of calculations per second. Cray is not just a supercomputer brand but a super brand.

Dell

Dell created the *PCs direct* category that allowed it to become a strong brand. What's more, Dell's direct sales model allowed the company to cut out the middleman and pass on the savings to customers. That is why, for comparable specifications, a Dell tends to be cheaper.

BlackBerry

BlackBerry was not the first mobile phone but it created a new category of mobile phone – one used primarily to check e-mails. *Mobile e-mail* became such a big hit that people called their relevant devices a “BlackBerry” even when it was clearly an O2 or a Dopod.

Pixar

One of the most celebrated movie studios in the world – although it did not have a long history of movie-making initially – got to be a big brand because it pioneered a new category called *3D animation*. The company is Pixar. You would have watched one of its movies: *Toy Story*, *The Incredibles*, *Cars*, among numerous others.

GIVE YOUR NEW CATEGORY A NAME

Now that we have established the importance of a new category in building brands and the need to tie a brand to the category, how do you go about

deciding on the category name? What makes for a good category name? Well, there are certain characteristics that are important for a category name. What works for a brand name may not work for a category name. These are the five characteristics you must pay attention to.

Characteristic #1: The Category Name Must Be Easy To Understand

If you look at the 20 brands I used as examples in the preceding section, you will find that each comes under a category that is easy to understand. You need your category name to be something that is immediately understood or people will just move on to the next thing waiting in line to catch their attention. When you have a new – and hopefully, exciting – category, you are off to a good start. People like what is new, and they like what is new and exciting even more. What they do not like is something new and exciting that is difficult to understand. Nobody likes the mind to be taxed too much.

Even if you have something very complicated, you have to find a category name that is easy to understand. The first computer was created at the University of Pennsylvania and it had an impressive sounding name: Electronic Numerical Integrator And Computer, or ENIAC for short. What on Earth is an Electronic Numerical Integrator And Computer anyway? It is basically an electronic device that is able to make lots of calculations per second, like a super-fast calculator. If it had been called, simply, a computer, that new category would have been easier to understand.

IBM could have called its first computer something bombastic like “electronic transistor tube numerator machine”. The first computer from a giant like IBM had to have an impressive-sounding name, right? But nobody would have understood it, so IBM simply called it *mainframe computer*. It was a computer because it computed data and equations. It was a mainframe because it was big. That was easy enough for IBM’s customers to understand.

You do not want to spend a lot of time explaining what your new category is all about. You want people to get it right away. What is a BlackBerry? *Portable e-mail device*. Easy. If BlackBerry had called it something more complicated like “wireless portable push mail computer”, that might have made it a harder sell.

When Apple launched the Newton, it called it a “PDA” – short for “personal digital assistant”. Although the device was user-friendly like an Apple was supposed to be, people did not understand it. PDAs are common now and the term “PDA” is also widely used. So, you can say Apple was ahead of its time

with the Newton. That does not detract from the fact that the category name was hard to understand at the time. What would people have understood? Well, what does the Newton do? It helps you organise your contacts and appointments, so it was like a diary or an organiser (think Filofax). Apple might have been better off calling it an “electronic organiser”. People understood pen and paper organisers like the Filofax and they would have understood *electronic organiser* quite well, I think.

Microsoft is the 800-pound gorilla in the software jungle. It became successful on the back of a new category called *PC operating system* – software that helps computers to operate. Microsoft made a complicated product, but it made the category name easy to understand. That helped the category grow. Oracle has a complex product but simply calls it *database software* – software that operates using a database. SAP has wisely picked a category name that is easy to understand: *enterprise resource planning software* – software that helps companies plan their resources better.

If your category name is hard to understand, your brand does not get built because if people do not get what your category is all about, they cannot pigeonhole the brand properly. A new category that is hard to understand will burn out in no time.

Characteristic #2: The Category Name Must Use Everyday Words

To make the category name easy to understand, you need to use words or combinations of words that are easy to understand. Unlike the brand name, the category name must use generic words. Brand names can be invented – like Google, Xerox, Kodak, Pixar, Lexus, Sony or DeWalt – but category names must avoid that. If the category name uses new or invented words, you will have two names people do not understand.

When Kodak was launched it used a made-up name that made it unique, but the category name was made up of everyday words so people could understand what Kodak was all about: *Photographic film*. Kodak is a film. What kind of film? Photographic film – film that is used to take photographs. Red Bull is an *energy drink* – a category name that uses everyday words, making it easy to understand – a drink that gives you energy. DeWalt is a *professional power tool* – power tools made for professional builders and craftsmen. You need the category name to be made up of everyday words but you also need the category name to be short.

When Xerox came up with its plain paper photocopier, it could have called it a “xerographic printing machine”, which is technically correct: “Xerography” is the technical term for the dry printing technique Xerox used. But “xerography” is a term that would have registered a blank in 1959 so Xerox wisely called its machine a *plain paper photocopier*, which differentiated it from the existing thermal paper photocopiers.

When Cray launched its hyper-powerful computer, it could have saddled the brand with a category name that made people scratch their heads. But instead, Cray became the *supercomputer* – a computer that is really, really, really fast.

When Nikon entered the digital camera market, it could have taken the opportunity to create a puffed-up category name. Instead, it wisely chose to stick with words people already understood. People knew what a camera was. And they would have known what a *digital* camera would be – a camera that stored images digitally instead of on 35mm photographic film. People also knew that Nikon was a brand famous for SLR (single lens reflex) cameras. So, when Nikon launched its digital cameras, it simply linked the brand to the category called *digital SLR cameras*. Smart move. I have often asked professional photographers what camera they would buy. In nine out of 10 cases, the answer has been, “Nikon, if my business does well enough. But if cost is a concern, we will get a Canon.” So, there you go, it worked. Nikon equals *digital SLR cameras*. Nikon is a strong brand.

Characteristic #3: The Category Name Must Refer To An Existing Category

For a new category to work, it must give people a point of reference. That is usually the existing category. If you have a new category, there must be an old category, and people must be able to see that link. The electric typewriter referred to an existing category: the mechanical typewriter. As such, people saw the link. Both were typewriters but one was mechanical and the new one, electric. When the word processor came along, it was a new kind of typewriter. It still spewed out words but unlike its predecessors, it used sophisticated electronics to do so. It could not be called a typewriter anymore but the link was there: “word”.

When Starbucks came up with the new category of *gourmet coffee*, people were only paying US\$0.90 per cup of coffee. Starbucks’ coffee cost US\$3. It was “gourmet” that differentiated it from run-of-the-mill coffee. When The Body Shop came up with *natural cosmetics*, it referred to the existing category that

used many artificial ingredients. When Charles Schwab came up with *discount brokerage*, it referred back to full-service brokerages. When Ya Kun came up with *crispy kaya toast*, it referred back to the existing category of kaya toast.

There is a saying that a problem well-defined is a problem half-solved; the same goes with your category name. You need to define the “problem” correctly – the “problem” being the existing category. You need to know the name of the current category before you can create a name for your new category that meets the criteria of being new and yet is easily linked to the old category.

Characteristic #4: The Category Name Must Be Unique To You

Like a brand name, the category name should, ideally, be unique to you. You need to own that category since you pioneered it. When Hyflux first started out in the water filtration business, it had to face entrenched competitors from Singapore who had longer histories and track records. So, it had to link the Hyflux brand to a different category.

Traditional water treatment plants are structured the same way as those models you fashioned in the science lab in school. They tend to be big and take a long time to build. Hyflux started promoting a new type of filtration process: *membrane filtration*. This new category was unique to Hyflux at the time in its markets and unique in comparison to its competitors. The advantage of the membrane is that it is thin. As a result, the water filtration plant can be made smaller and set up more quickly. The membrane is also a very effective type of filter.

I have been told the membrane filtration technique was not new when Hyflux started promoting it. That did not matter, because Hyflux’s competitors did not claim the category. Hyflux did, and people now see Hyflux as the pioneer in membrane filtration technology.

Characteristic #5: The Category Name Must Be Endorsed By The Media

This is perhaps the most important aspect of category naming. In *Transforming Your Business Into A Brand*, I mentioned that brands are built with public relations (what third parties such as the media says about you) and maintained with advertising, because what the media say about you has credibility. Advertising is what you say about yourself. Even if it were true, the reality is people do not believe what they read in advertisements. They are more inclined to believe something a third, presumable neutral, party says.

You need the media to endorse your category name. When the media uses your category name to describe you, you will be seen to be the legitimate owner of that category. If the media says Oracle is a database software company, that is what it is. It could be making more money from its customer relationship management (CRM) software but that does not matter. Once the media has endorsed Oracle as “the database software company”, it owns that category. Likewise, the media has written about SAP as the enterprise resource planning (ERP) software company. Since then, the category has belonged to SAP. Siebel has been referred to as the CRM software company; that category now belongs to Siebel.

That is why you need to be able to articulate your category and your brand story to the media well, so that they can then tell your story to the world. For instance, if the media had not written that “Red Bull is an energy drink” but attributed that to Coca-Cola’s KMX, then KMX would have had a grip on the category name. But the media used “energy drink” to describe Red Bull. That gave legitimacy to the category name and helped to position Red Bull as *the* energy drink brand.

When I was working for an innovative Singapore company specialising in e-learning software for primary and secondary school students many years ago, the company had difficulty articulating the category. Hence, the media did not catch on. The company used terms like “multimedia learning”, but the media did not get what “multimedia learning” was all about and, as a result, did not endorse the category name by using it in news articles. Even if they had used the term “multimedia learning”, people might not have understood it because there was no clear link to an existing category. On hindsight, they should have used a simpler but less sexy category name like “computer-based learning” because the existing category was book-based learning.

YOU CAN STEAL A CATEGORY NAME IF THE OWNER ABANDONS IT

Once a category name is attached to a brand, that brand owns it. You can’t take it away from the owner unless the owner gives it up through fatal mistakes. We have shown that creating a new category and promoting it can help a brand grow big. However, many brands tend to forget what made them famous, once they become famous. When brands lose their focus, they lose their stranglehold on the minds of their customers. The brand becomes weak, and over time people will stop associating the brand with the category that made them famous.

When I say “toothpaste”, what brand comes to mind? Probably Colgate. Colgate equals toothpaste. It owns the category. And as long as Colgate continues to focus on toothpaste, it will remain strong. What if Colgate starts to think of itself as a personal grooming brand and launches a whole line of shavers, shaving gel, nose hair trimmer, shampoo or hair gel? The brand will lose focus. Over time, Colgate’s grip on the toothpaste category will loosen and another brand can come in and steal it. Given today’s hypercompetitive marketplace, whatever you lose to a competitor will be gone forever.

When I say “safe cars”, what comes to mind? Volvo, for sure. Volvo equals safe cars. It owns the category. What if Volvo decides that being safe is boring and wants to be so much more? What if Volvo had listened to the legions of clueless brand consultants who had harped on how brands must stretch themselves in the quest for growth? It would have got into a lot of trouble like General Motors (GM), which recently lost its No. 1 status to Toyota. If Volvo stops focussing on making safe cars and stops communicating to people over and over again that Volvo is *The Ultimate Safe Car*, another car brand can steal its category. It is already possible for other carmakers to make cars that are as safe as Volvo’s or even safer, but as long as Volvo remains focussed on its category, it would be near-impossible for anyone to take that category away from Volvo.

That was what happened to GM. GM used to own five car brands: Chevrolet, Pontiac, Oldsmobile, Buick and Cadillac. They were highly focussed, each selling within its own narrow price band. When people thought of *cheap car*, they thought Chevrolet. For *luxury car*, it was Cadillac. When they thought *sporty saloon*, they thought Pontiac. But over time, each of these brands started straying away from their categories. Chevrolet started making bigger and more expensive cars, thus encroaching into Oldsmobile and Buick’s territories. Then it made sports cars! America’s most iconic sports car, the Corvette, was sold under the Chevrolet nameplate. The loss of focus allowed the Japanese to come in and steal Chevrolet’s category. Cadillac suffered the same fate as well. It started moving down-market, and that was the beginning of its downfall: The upmarket Germans came and saw and conquered the luxury segment.

What about Toyota? Toyota does not seem to have a focus. It seems to be all over the place, selling small cars, medium-sized cars, big cars, MPVs, SUVs, sports cars and commercial vehicles. Why is Toyota doing so well then? The answer is: Toyota never lost its focus on its category, and its category is

reliable cars. Toyota does not so much sell cars as reliability. You do not buy a Toyota because it is fast or sexy or trendy. You buy a Toyota because you want a reliable car.

Just as you can steal someone else's category name if they give it up, the same thing can happen to you. If you are fortunate enough to be attached to a powerful category name, hang onto it for dear life. Focus on that category. Be the best in that category. Keep promoting the category. That way, you will remain a strong brand.

WHEN THE CATEGORY DIES, THE BRAND DIES

Never, ever try to stretch the category you have. If your category is toothpaste, stay in toothpaste. If it is gourmet coffee, stay in gourmet coffee. Starbucks tried to stretch its category to cover breakfast a few years back. It began selling eggs, bacon and toast. That did not work out well. Who would go to Starbucks in the morning, only to be assaulted by the smell of oily eggs, bacon and toast, instead of being refreshed by the aroma of freshly brewed coffee?

You invent a new category. You promote the category. The category grows. Your brand grows along with it and is attached to it. Your brand name is inextricably linked to the category name. That is both good and bad. The good thing is that you will become a powerful brand. The bad thing is: When the category dies, your brand will also die. Categories come and go over time, and this is the thought that paralyses many senior management people with fear. That is why you see many brands line-extending themselves to cover other categories. It does not work. Line-extension will weaken you. One brand, one category, one idea. That is the way brands are built.

What if the category dies? Do you not need to have something to fall back on? Look at what happened to Polaroid. Instant photography as a category died and Polaroid disappeared from the market. True, the fate of a brand is tied to its category. That is something you cannot avoid. If the category grows, your brand grows. If it dies, the brand dies. However, when a category is dying – and you can spot the signs many years ahead of time – invent a new category and launch a new brand for that category. This is easier said than done, but that is the way it works. There is no point line-extending your brand to cover multiple categories. It will not help you, and I can prove it.

The acid test for the line-extension theory is The Substitution Test. I am sure you brush your teeth. Like many people, you probably use Colgate toothpaste,

an Oral-B toothbrush and Listerine mouthwash. Colgate is a strong brand in toothpaste but it is strong in general toothpaste. Colgate also makes sensitive teeth toothpaste, but if you had sensitive teeth what would you buy? Sensodyne. Colgate makes whitening toothpaste but if you wanted whiter teeth, you would buy Pearlie White. Colgate makes toothbrushes. Would you choose a Colgate toothbrush over an Oral-B? Some of you would. That is great. Now, would you choose a Colgate toothbrush over an Oral-B if they were both the same price? No way! That is proof that line-extension does not work. You would not buy a line-extended product unless it were cheaper. What makes you think your customers are any different?

What brand would you buy if you needed a digital camera? Let's see. Nikon, Canon and Olympus would probably come to mind. What about a Sony? Maybe, maybe not. Sony is not a digital camera specialist like the other three. What about Kodak? What? A Kodak digital camera? Yes. Kodak invented digital photography in 1976 so why not a Kodak digital camera? Because the Kodak brand is tied to a category named *photographic film*. What if a Kodak digital camera were half the price of a Nikon or Canon Ixus? You might buy it if you wanted a camera for your kids to play around with, but if you wanted one for yourself, you would probably spend a bit more and get a real digital camera from Nikon, Canon or Olympus.

But do not worry too much about the death of the category. Although categories grow, mature and die at different rates, most would be around long enough for the pioneering brands to make the kind of money that can be used to develop and promote a new category. The reason why many companies run into trouble when their categories decline is not the lack of money, knowledge or warning, but the refusal to heed the warning signs: They hang on to the category for too long. Polaroid knew the digital camera was coming. It could have become a leader in digital photography, which is actually a kind of instant photography. Polaroid would have had a lot of credibility, but it clung to the dying instant photography category until it was too late to make the switch.

In a nutshell

Most companies are not fortunate enough to be the first in the market. Being first is an important factor in determining a brand's success because the first brand in the market will get the opportunity to establish itself in the minds of customers before competitors start showing up.

If you are a latecomer, you can still win big by setting up a new category and promoting it. As a result, your brand needs two names to be successful. It needs a brand name, and it needs that brand name to be linked to a category name.

The brand name can be made-up, but the category name must use everyday words that are easy to understand. The category name needs to be unique to your brand so people will associate your brand with the category, thus giving you your brand idea.

The category name of a new category must refer back to the existing category or people will have difficulty understanding it. The category name must also be endorsed by the media, which is seen as a credible third party. When the media uses your category name to describe you, the category name becomes legitimate in the eyes of the public and your brand becomes legitimate in the minds of customers.

CASE STUDY

Ya Kun

This is a brand that needs no introduction to anyone who has lived in Singapore for even a short period of time. It is synonymous with really great tasting crispy *kaya* toast and traditional style tea and coffee. For those unfamiliar with *kaya*, allow me to enlighten you. *Kaya* is basically egg-and-coconut jam made from coconut milk, sugar, eggs and fragrant *pandan* leaves. No preservatives, artificial colouring and artificial flavouring are added in Ya Kun's *kaya*. As a result of its strict production controls and quality ingredients, Ya Kun was given the Hazard Analysis and Critical Control Point (HACCP) Award in 2003.

Ya Kun is one of Singapore's iconic brands. It began when its founder, Loi Ah Koon, then 15 years old, boarded an old Chinese junk in 1926 to make the sea-tossed journey from Hainan Island in China to another island called Singapore. After what seemed like an eternity, Ah Koon arrived on the shores of Singapore to try and build his future. He did not know a single person and so, naturally gravitated towards the local Hainanese community. He was introduced to work as an assistant at a food stall and quickly picked up all the necessary skills, thanks to his quick mind and willingness to work hard.

It was not long before the entrepreneurial Ah Koon decided to strike out on his own with two other Chinese immigrants as partners. They set up their first coffee stall at Telok Ayer Basin. Unfortunately, the two partners quit the business, leaving Ah Koon high and dry. But like a true-blue Hainanese, Ah Koon demonstrated that he was tougher than a nail. He carried on with the business despite the hardships. He would sleep on the hard wooden counter top of his stall so that he could be there at five o'clock, sharp, in the mornings to serve his customers their daily dose of eggs, *kaya* toast and coffee or tea. His customers came from all walks of life – they were coolies, merchants, money lenders, police inspectors or boat operators.

In 1936, Ah Koon's wife joined him from China to help him run the stall.

Ah Koon was also quite the innovator. He began roasting his own special blend of coffee by mixing margarine and sugar with the coffee beans and roasting them over a wood fire at the back of his stall. Now you know where that wonderful Ya Kun coffee aroma comes from.

The Secret Of Ya Kun's Success

A lot of people have attributed Ya Kun's success to the secret recipe that made its *kaya* toast so tasty and its coffee so aromatic. Every brand has a secret recipe, but what has differentiated Ya Kun from all the rest is focus and consistency. The brand has remained focussed on its core products. When Ya Kun first started, it was basically eggs, toast, coffee and tea. Now, decades later, it is still eggs, toast, coffee and tea. This focus etched the Ya Kun brand firmly into the minds of customers and made it strong in that most important place in the world. Ya Kun has often been copied but never bettered, in my opinion.

The brand is also very consistent in the quality of its products and service – even down to the way your orders are taken. In the past, Ah Koon used to scribble his customers' orders on the wooden counter top using a piece of chalk. These days, they still scribble down your orders but they don't do it on the counter top anymore. They use a small white board and markers. It is a nice touch that maintains Ya Kun's link to its past while modernising its heritage.

Heritage is a powerful differentiator if you can update that heritage and make it relevant to the modern age. Ya Kun has successfully done so. It has kept its focus. It has remained steadfastly consistent. And it has modernised its heritage. Walk into any Ya Kun outlet and you can almost taste the heritage but, at the same time, feel the modernity. It was a difficult thing to achieve but Ya Kun pulled it off in spades. Some places – many, in fact – try to mix tradition with 21st century modernity; they end up either with a schizophrenic mess or something that feels contrived and fake. Ya Kun has done it just right. We can't put our fingers on it but that special quality is there.

Taking The Opposite Position

One of the things I really love about the brand is how it is able to differentiate itself by taking the opposite position. Taking the opposite position means you have to, first, identify a competitor you want to fight, then take the opposite position. Ya Kun very cleverly did not pick a fight with other traditional-style Chinese coffee stalls. It picked a fight with the category represented by gourmet Western coffee brands like Starbucks. Ya Kun divided the café business into Western and Asian, and took the opposite position from the fancy Western brands by being Asian. This has helped to shut out competitors. While Starbucks and gang are Western and Ya Kun is Asian, Ya Kun is seen as the category leader for Asian cafes or, as they prefer to call it, coffee stalls.

The evidence of this can be seen on the witty posters Ya Kun has put up in its stalls. One has the tagline, “How do you like your eggs? Wet and runny or runny and wet?” It is trying to say that at Ya Kun, they have been doing eggs the same way and the only way since the beginning. This creates the sense of purpose and consistency. Another poster boasts, “Who needs the French press? We have got the sock!” This also positioned Ya Kun as the opposite, as its coffee and tea are made with a long sock-like filter. Very different. Very traditional. But my favourite is the poster that says, “Want a skinny latte? Stop at half a cup.” That is absolutely hilarious. It is a great retort for the complexity of Western cafés with their multiple combinations of coffee. But I feel Ya Kun can do more to dramatise this and I hope it will, so that the brand can be further differentiated.

The Making Of The Name

You would have guessed by now that the name Ya Kun came from the founder’s name. But why is it “Ya Kun” and not “Ah Koon”? Chinese characters are very hard for non-Chinese-speaking people to pronounce. So, the Chinese invented *hanyu pinyin*, which is the Chinese version of phonics. It translates Chinese words into English words with precise pronunciation guides. In *hanyu pinyin*, “Ah Koon” is written as “Ya Kun”. That is how the name came about.

Even though it is a Chinese name, it works tremendously well in English because it is easy to pronounce, easy to remember, verbally and physically short (two syllables only – perfect), unique in the category and it even has the dot.com suffix. The name also has a nice, pleasant tone to it – a name that sounds like it is from the Old Country (in this case, China) but which has somehow managed to survive and thrive in a modern and Westernised country like Singapore.

Ya Kun is starting to expand its brand into new international markets, and I believe it will do very well. All the traditional virtues of hard work, sacrifice and service embodied by the founder live on today in the current management team. And this is a name that can travel across borders quite well. Singapore is a city with all kinds of foreign nationals working in it – Chinese, Indians, Japanese, Koreans, Australians, Americans, Europeans and many more – and I have observed that they can all pronounce “Ya Kun” easily and correctly without any prompting.

More information on Ya Kun can be found at the company’s corporate website, www.yakun.com.

CHAPTER 12

**Rule No. 9 –
You Must Have A Dot.com Suffix**

WHEN you need to find information these days, what is the first thing you do? You go to the Internet and do a search. It is so instinctive. The Internet has now become like a second skin to 1.4 billion users around the world, according to Internet World Stats on 31 March 2008.⁷⁰ The Internet is probably the most revolutionary invention since the wheel. As we charge headlong into the 21st century, you will see its impact on our lives getting stronger because the Internet has become increasingly mobile, thanks to the rapid growth of wireless broadband networks, mobile broadband-enabled laptops and palm-sized Internet devices such as the BlackBerry.

The Internet will change the way you do business even if you do not use it to promote your business and never intend to. It has opened up borders and broken down communications barriers, and all of a sudden, the number of competitors you face has increased manifold in the twinkling of an eye.

Imagine you are a tyre retailer in Singapore. In the past, your competition would have been another tyre retailer in Singapore. With the Internet, however, you could be competing with a company like Tire Rack, located thousands of kilometres away in South Bend, Indiana, USA.⁷¹ There was a time when I had to order a set of 275/35ZR17 Dunlop SP9000 tyres. Because this was an odd size, the local retailers told me they had to indent the tires, which would take three months and cost an eye-watering amount of money. So, I contacted Tire Rack via e-mail. They told me they would ship the tyres to me via UPS within seven days and the terms were cash-on-delivery. The tyres came within seven days, and even with the shipping charges, still cost less than what I would have paid at a local tyre shop.

You do not need to have a very active imagination to realise the Internet will revolutionise the way business is done. In fact, it already has, and the pace of change will just increase as it continues to evolve. I read an article in *BusinessWeek* on the Internet's impact on business travel. In the past, business executives would hop onto a plane, fly to a city for a meeting and fly back again.

⁷⁰ <http://www.internetworldstats.com/stats.htm>

⁷¹ <http://www.tirerack.com>

These days, with broadband connections and ultra-realistic video conferencing devices such as HP's Halo system, these road warriors could conceivably have meetings "in" a few different cities within a day and be home in time for dinner and to play with their kids. With rising fuel costs and corporations' increased desire to reduce their carbon footprint, the Internet seems like a viable alternative to air travel.

If you do need to travel, the Internet has revolutionised the way you book your air tickets. Now, you do not even need to pick up the phone to call your travel agent. You can buy your tickets online and apply for your visa online. It is so convenient if you are a customer. But if you are a travel agency, your business is a whole lot tougher.

Okay, you get it: The Internet is important, the Internet is revolutionary. What does that have to do with you having a dot.com suffix? By this, I mean your website address must end with a dot.com – for example, www.yourbrand.com instead of www.yourbrand.com.sg or any other country suffix. Before we get into that, let us look at some of the relevant rules of branding for the Internet. The Internet does not operate the same way as the physical world, and having a better understanding of its operating rules will help improve your chances of success.

4 OCTOBER 1957

On this date, the former Soviet Union launched the Sputnik 1 satellite into space.⁷² What has that to do with the creation of the Internet? Fear. The Russians' achievement set alarm bells ringing in the United States. The government feared America could be losing its technological leadership. So, in February 1958, a new agency called the Advanced Research Projects Agency (ARPA) was set up to ensure the United States regained its technological lead.⁷³

As part of its work, ARPA created the Information Processing Technology Office (IPTO) to further the research of the Semi Automatic Ground Environment (SAGE) programme, which had networked country-wide radar systems together for the first time. JCR Licklider was selected to head the IPTO. He saw great potential in universal networking as a way to advance the human race. After exhaustive work, the precursor to the Internet was launched on 29 October 1969. This early Internet was simply a connection between two nodes – that of the University of California Los Angeles (UCLA) and SRI International in Menlo Park, California.

⁷² http://en.wikipedia.org/wiki/Sputnik_1

⁷³ <http://en.wikipedia.org/wiki/Internet>

This network was initially called ARPANET. Following that successful demonstration, the British Post Office, Telenet, DATAPAC and TRANSPAC collaborated to create the first international packet-switched network service in 1978. The collection of networks grew from Europe and the US to cover Canada, Hong Kong and Australia by 1981. The term “Internet” to describe a single global network originated in December 1974 with the publication of RFC 675, which was the first full specification of TCP written by Vinton Cerf, Yogen Dalal and Carl Sunshine, who were then at Stanford University. (“TCP” stands for “Transmission Control Protocol”, one of the core protocols that enables transmission of information from computer to computer over the Internet.)

During the next nine years, work proceeded to refine the protocols and to implement them on a wide range of operating systems. The opening of the network to commercial interests began in 1988. From that point, the Internet experienced explosive growth in terms of speed, number of users, types of applications and the number of successful brands built solely around the Internet, such as Google, Yahoo!, eBay, Skype, Facebook, Amazon.com, Zappos and others.

So, how much has the Internet grown? On 1 Nov 2006, CNN.com reported that there were 100 million websites in the world.⁷⁴ The data came from Netcraft, an Internet monitoring company that has tracked the growth of the Internet since 1995. In January 2008, another Netcraft report put the number of websites at 156 million.⁷⁵ The 156 million figure probably included blogs as well, hosted on the sub-domains of Blogspot, Twitter, TypePad, Windows Live Spaces or WordPress.com.

FOUR IMPORTANT QUESTIONS

With 156 million websites (and growing), the Internet is getting crowded. For your brand to do well on the Internet, you have to answer the following questions.

Question #1: Is The Internet For Communications Or A Business?

If you use the Internet for business transactions – such as Amazon.com or eBay do – you probably need to create a new name, because most brick-and-mortar names do not translate well to the Internet. Plus, most brick-and-mortar brands are already known for something else. For example, Barnes & Noble and Borders are known as brick-and-mortar bookstores. For them to move

⁷⁴ <http://www.cnn.com/2006/TECH/internet/11/01/100millionwebsites/>

⁷⁵ <http://www.labnol.org/internet/blogging/the-total-number-of-websites-on-earth/2257/>

their businesses to the Internet would be difficult if not impossible. Difficult, because they are known for being physical bookstores. Moving online would dilute the focus of their brands and create confusion. Sotheby's and Christie's are well-known auction houses but they are brick-and-mortar brands. For them to start Internet auction businesses would require that they create new brands – to avoid confusion, as well as to avoid loading their Internet businesses with any baggage the brick-and-mortar brands might have.

There are exceptions, of course. Dell and Land's End (a company I worked for when I was in the United States) are two brick-and-mortar brands that have moved their businesses online. Their success can be attributed to the nature of their businesses: They are both direct sales companies. Dell sells its PCs directly to end-users. Land's End sells its clothing directly to consumers. Both use catalogues extensively. Their customers had been calling sales hotlines to place orders and were used to buying through the telephone, so it was a lot easier to migrate them to buying online. The buying principle remained: They still bought direct but through a website instead of picking up the phone (although both companies continue to give customers the option of calling their orders in). If you are not already in the business of selling directly to customers, you need to start a new brand if you want to use the Internet to facilitate transactions.

If you are using the Internet for communicating your brand, it is alright to keep your existing brand name, provided it meets the other rules of naming. Most companies do not sell anything over the Internet; they use the Internet for communicating their brands.

Question #2: Is Your Website Sticky Enough?

This is a thorny issue that every brand struggles with – my firm included. How do you make your website “sticky” so that customers and even potential customers will make your site the first stop when they need to find a product, service or, simply, more information? I have come across many companies that keep changing the look and feel of their website in the name of keeping it fresh and exciting. I actually learned from web experts some years ago that you shouldn't do that. Once a customer is familiar with your website's layout and navigation, you should keep it the same so that they will have no incentive to change.

On the Internet, familiarity does not necessarily breed contempt; it breeds “stickiness”. Look at Google. The website is simple and clean. Many people just love it because it is so different from all the other search engines. It would be

foolish for Google to mess with that. My search engine of choice many years ago used to be Infoseek, until it changed its entire layout and navigation. After that, I felt no connection to it and started straying to other search engines until I eventually landed at Google. These days, I use Google almost exclusively. The trick is to get the layout and navigation for your website properly sorted out right from the start. However, many companies and even web designers struggle with that. If Dell, YouTube and Facebook were to change their layouts and navigation completely, a lot of people would be turned off. So, keep your website consistent.

The other thing about “stickiness” is you need to provide useful content on your website without giving away your trade secrets. And you need to update this content. That is why we try to upload useful things onto our website regularly – such as branding articles, results of national-level surveys we carry out, case studies of completed branding projects (with the clients’ permission), and updates on upcoming branding workshops. I am not saying we have cracked the secret of making “sticky” websites but like you, we are also trying.

If you look at the Tire Rack website (www.tirerack.com), you will find that besides selling tyres and wheels, they also provide information on how to choose the correct tyres and wheels. There are regular updates on the latest tyres, wheels and technology. The test reports, too, are really useful. Tire Rack tests the tyres it sells on the road and the race track, and besides reporting on subjective aspects like steering feel, response, ride comfort and behaviour at the limits of the tyres’ grip, it also publishes objective measurements of tyre performance (carried out by Tire Rack testers using sophisticated equipment) such as braking distance, maximum grip, maximum speed through slaloms and others. All these are tips that will help tyre buyers make better decisions, and that is what makes the website “sticky”.

Ask yourself what it is that you can do to make your website “sticky” enough that customers and potential customers will keep coming back for more. If they come back, you will have a chance to sell to them. If they do not, they could be going to your competitors’ websites. It is not an easy thing to do but you just have to try.

Question #3: Can You Be The No. 1?

When Jack Welch took over as CEO of General Electric, he came up with the famous GE Mission, which simply states that GE will be the No. 1 or No. 2 in

every business it competes in. If there is a business GE is not No. 1 or No. 2 in, it will fix the business so that it can become No. 1 or No. 2. If it can't be No. 1 or No. 2, it will either sell that business unit or close it down. It sounds cruel, but I think it is the correct approach. It has made GE a highly competitive giant. But if you think I am going to recommend this approach to you, think again. This approach will not work on the Internet. On the Internet, there is no room for No. 2. If you can't be No. 1, you will be a bit player. In the real world, No. 2 can still be quite big but on the Internet, that is rarely the case.

What is the No. 2 brand in PCs sold on the Internet? You know Dell is No. 1 and that is it.

What is the No. 2 brand in lingerie sold on the Internet? You know Victoria's Secret and that is it.

What is the No. 2 brand in VOIP (Voice Over Internet Phone)? You know Skype. Who else?

What is the No. 2 brand in video websites? Let's see. You know YouTube, YouTube and YouTube.

What is the No. 2 brand in online shoe stores? Zappos is No. 1. You probably do not know of anyone else.

What is the No. 2 brand in online bookstores? You only know of Amazon.com, right?

For most Internet companies, the competition comes not from another Internet company but a real world company. Dell's competitors are computer companies like HP, Acer, Lenovo, Toshiba, Sony and so on. Victoria's Secret's competitors are mainly real world lingerie companies. (Unfortunately, I am a caveman so that is the only brand I know – still, not bad for a caveman, I would venture.) Zappos' competitors are real world shoe stores. Amazon.com's competitors are real world bookstores like Barnes & Noble, Kinokuniya, Times and Borders. That is why the No. 2 brand has such a difficult time on the Internet.

The Internet is even more brutal than the real world. Everything moves so fast, and these days, thanks to the availability of cheap broadband and servers, a viable Internet company can be set up in no time for around US\$100,000. Some experts have told me you could even get by with US\$20,000, if you knew how to do it.

So, on the Internet – whether you use it for business or for communications – you have to ask yourself this question: Can you be No. 1? If you can't, you

will have to find another type of business to run on the Internet or another method of effectively reaching out to your customers. I am not saying that if you are not No. 1 on the Internet you will not be a viable business. It is just that you will not be very big. You will have to manage your expectations. This is not so bad if you are just using the Internet for communicating your brand. If you are starting or are currently running an Internet business, you need to be No. 1 or you will get steamrollered.

If you can't be No. 1, create a new category that you can be first in. MySpace was the No. 1 social networking site so Facebook created a new category: *social networking site for college students*. That category has grown so much that Facebook is now the hottest social networking site.

Question #4: Can Your Name Stand Out On The Internet?

We come back to the name yet again. On the Internet, the name is critical. As mentioned earlier, there are no visuals or taglines on the Internet that can help jazz up a generic or lacklustre name. It needs to stand on its own. The brand lives or dies on the strength of its name. One of the ways to create "stickiness" for your website is to create a name that stands out and sticks in the mind.

This is more critical for brands for which the Internet is a business rather than a communications medium. Given the importance of the Internet, however, even if you were a brick-and-mortar business, it would still pay to have a name that stood out on the Internet. By following the other eight rules of naming, you should have a pretty good idea of what would stand out.

Now that you have answered these four important questions, I need to ask you another difficult one. Do you have a dot.com suffix? Why is it so important, if you do not do business on the Internet?

A DOT.COM SUFFIX MAKES YOU LOOK BIGGER THAN YOU ARE

At the height of the dot.com craze in the nineties, many companies went stir crazy and turned every single thing they had into a dot.com. It would have been hilarious had it not been so stupid. You had clueless brick-and-mortar companies that rushed to transform themselves into dot.com companies – in name, at least. A company called Your Brand would have become YourBrand.com or eYourBrand or YourBrand@something. It was just madness.

In early 2000 the dot.com bubble burst and legions of dot.coms became dot.gones. It left many investors badly burnt, and since then, people have

been wary of dot.com businesses. But they never seem to learn. People have such short memories. That is the reason behind the sub-prime mess that has seen so many financial institutions being battered by billions upon billions of write-downs. Furthermore, there has been the failure of structured investment products, which has caused an even bigger financial crisis. Warren Buffett has appropriately called these structured investments “financial weapons of mass destruction”.

But I digress. Let’s get back to the dot.com. Many legitimate dot.com companies with solid and sustainable business models arose out of the ashes of the dot.com implosion. It was actually a good thing. It weeded out all the useless companies operating on nothing more than hype and a whole lot of hot air, leaving behind the legitimate dot.com businesses. However, many people have written off the dot.com. To them, the dot.com has become a pariah. But that is selling the dot.com short.

You need to have a dot.com suffix because even if you do not use the Internet to sell your products or services, having a dot.com suffix will help make your brand look bigger and more important than it is. Remember that perception is reality – even on the Internet. On the Internet, a brand with a dot.com suffix is seen as a first-class citizen. A lot of people have argued with me that this is not fair. The dot.com suffix was originally for US companies, since the Internet originated from there, and every other country has its respective country suffix, such as dot.com.sg for Singapore, dot.com.my for Malaysia, and so on.

Unfortunately, www.yourbrand.com will be perceived as a first-class Netizen and www.yourbrand.com.sg (or any other country suffix) as second-class. Ask any web marketing expert. Every single one I have spoken to has told me the dot.com suffix is a must. The reason for this is the dot.com suffix is the original, and people always see the original as the real thing and the best thing. Furthermore, the dot.com suffix is shorter. On the Internet, the shorter it is, the better. People generally do not like to type in long Internet addresses or URLs (Universal Resource Locators). Subconsciously, a brand with a dot.com suffix is viewed as more impressive and, somehow, more legitimate.

What about the other suffixes? What about www.yourbrand.net or www.yourbrand.biz? I am not trying to sell these suffixes short, but the truth is that if you have a dot.net or dot.biz you are less memorable or legitimate – even if it is just in people’s subconscious. Worse yet, people might see you as an illegal immigrant in Internet country. This is not to say that businesses with dot.net,

dot.biz or other types of suffixes are cons. There are many legitimate and solid businesses with such suffixes. I am just saying that you will make life a little easier for your brand if you have a dot.com suffix. The whole idea of branding is to give your brand an unfair advantage, and this is one such unfair advantage.

A DOT.COM SUFFIX MAKES IT EASIER TO GLOBALISE

With the relentless march of globalisation, every company big and small will eventually be forced to venture out of its home market. You will someday run out of growth opportunities in your home market, even if it is as big as China or the United States or India. To continue your growth trajectory, you will have to venture overseas. You will also have to venture overseas as a defensive measure. If you stay put and do not take your fight to your competitors overseas, they will bring the fight to your doorstep.

When you globalise, you will find that having a dot.com is like having a visa that allows you to go to any country you want. A dot.com suffix is universally acceptable. Nobody questions the origins of a brand with a dot.com suffix. A dot.com with a country suffix has more limited travel. This is just the way it was. For example, your company has a website address that is www.yourbrand.com.sg and you venture across the Causeway into Malaysia to do business. Imagine how odd it would look on your name card if you had a Malaysian-registered company called Your Brand (M) Sdn Bhd but the website address was, www.yourbrand.com.sg. It would not feel right. The same thing would happen with every other market you go into.

What do you do to overcome this problem? If you do not have a dot.com, you will have no choice but to register a local domain name such as www.yourbrand.com.my for Malaysia, and you will have to get a local domain for every country you do business in, so that your brand becomes more acceptable. This was the situation faced by one of the companies I used to work for. Can you imagine the hassle you would have to face if you ventured into 30 countries? The problem is, the local domain name you want might not even be available. That has happened many times before. But with a dot.com suffix you can have just one website address. When people enter your website, they can click on the country they want to be redirected to. That is the simpler and more elegant solution.

If you have the domain www.yourbrand.com and somebody else has registered the domain name www.yourbrand.com.sg and you are both in a similar business, guess who potential customers will be drawn to when they want to buy? Everything else being equal, it would be www.yourbrand.com. The operative phrase here is “everything else being equal”: If your website looks shoddy and unprofessional, people might think you are a fly-by-night company and not buy from you.

If you are very sure you will never, ever, ever venture out of your home market, I suppose it is alright not to have a dot.com suffix for your website name. I have come across some companies who have told me they are happy staying in Singapore and doing business here. To them, a dot.com.sg suffix is sufficient. That is a decision I will leave to you, but remember that things change over time. Opportunities may arise for you to venture into new markets or you might be forced to look overseas one day. No one can predict the future; however, you can certainly guard against it by having a dot.com suffix now. The decision is ultimately yours to make.

A colleague of mine sent the following article from ZDNet News just a day before I started work on this chapter, and I thought it was an important piece of news. It represents a turning point in the evolution of the Internet. With 156 million websites already existing, it comes as no surprise that we are running out of domain names to register. On top of legitimate businesses, you also have to compete with a whole bunch of irritating cyber-squatters whose whole mission in life is to register domain names, sit on them and hope that someday, somebody would pay them a lot of money for that domain name.

We Are Running Out Of Names!

By Marguerite Reardon, News.com

Posted on ZDNet News: Jun 27, 2008 8:32:15 AM

At its meeting in Paris, the Internet Corporation for Assigned Names and Numbers (ICANN), a not-for-profit organization that oversees the naming scheme for websites, voted to accept a proposal that will allow companies to purchase new top-level domain names ending in almost whatever suffix they choose.

So, for example, instead of being restricted to sites ending in .com or .org., eBay could have a site that ends in .ebay, or New York City could end its website address with .nyc.

The new naming process will begin in 2009. The first suffixes will probably be given to businesses and other major organisations. Countries are expected to keep their specific suffixes, but, as in the example above, cities could also get individualized URLs, such as .london or .chicago.

In an effort to deter cybersquatters, the organisation is likely to charge a hefty price for the new names. Some experts have estimated that the new domain names could cost anywhere from US\$50,000 (£25,200) to \$100,000 or more. ICANN plans to give companies with trademarked names priority for those names.

The group also voted to allow public comment on a proposal that would enable countries to use non-English script. For example, companies could use Chinese or Arabic script to identify their web sites.

Paul Twomey, chief executive of ICANN, told the BBC earlier this week that allowing the new naming conventions would create new “real estate” on the Internet.

However, some experts have expressed concerns that the decision could result in a gold-rush mentality. While trademarked names will only be available to holders of those trademarks, there are many common words that people may want to register as website suffixes, such as “.sex”.

The suffix .xxx was rejected by ICANN last year, but it could also prove to be a popular suffix under the more relaxed policy. However, Twomey told Agence France-Press that the organisation will still try to block or reject any domain name that it deems inappropriate for security or moral reasons.

If you have tried to register a domain name recently, you will know how frustrating it is. Every possible name – including those ingenious made-up ones – seems to have been thought of by someone else who has registered it either for a legitimate business or for squatting on. But this does not stop me from advising clients that they should still try to find a name for which the dot.com suffix is available. While it is good that ICANN is now making it possible for you to register domain names that end in almost any suffix, my bet is still on the dot.com suffix. You can potentially register www.YourBrand.yourbrand but I would still recommend you find a name with an available dot.com suffix.

You see, a brand is something that exists only in the mind. Branding is a battle that is won or lost in the mind. Once a mind is made up, it hardly ever changes. When was the last time you changed your mind about your favourite brands? You probably would never change your mind about your favourite brand unless it failed to deliver on its brand promises. Minds are hard to change and that can work for you, if you are the incumbent brand that has been firmly entrenched, or against you, if you happen to be the challenger brand trying to dethrone the leader.

In the case of the dot.com, people's minds are largely made up. The dot.com suffix is the original and the original is the best. People are also generally lazy. It takes too much effort for people to change their minds. That would involve reorganising some invisible filing cabinet that exists in their minds. If people wanted to change their minds about the dot.com suffix, they would have to rearrange the whole pecking order of all the suffixes in that filing cabinet. Too much trouble, I think. People will stick with what they know. They will stick with what they already have. And what they already have in the mind is the dot.com suffix as No. 1, and dot.com.countrysuffix as No. 2, and that is the way it will continue to be.

While it is good that all these new suffixes will be made available to you, that does not mean you can afford to be lazy or complacent. You still need to work on finding a domain name that is www.YourBrand.com. By the way, www.yourbrand.com has already been registered by someone.

WHAT IF THE DOT.COM IS NOT AVAILABLE?

If you have a company registered but do not have a dot.com suffix, there is a 99.9 per cent chance someone else in the world has already taken that domain name. That is why if you are starting a new company, it is better for you to find a name that has an available dot.com suffix. It can be a very frustrating experience for you eventually if you do not get this done correctly from inception. My colleagues and clients have had bad experiences with this and we hope you can benefit from our mistakes.

What do you do if the dot.com is not available? There are a few options you can explore; all involve a certain degree of pain.

1. Buy The Dot.Com

This is the most obvious solution. Buy the dot.com from the current owner. This is possible if the owner is a cyber-squatter looking to profit from

his or her ownership of the domain. That was what StrategiCom did. When the company was first formed, its domain name was www.sc-asia.com because www.strategicom.com was not available. When the firm decided to shorten its name to StrategiCom from StrategiCom Asia since it was no longer operating solely in Asia, the domain name had to go.

At the time, I was not working in StrategiCom but I met up with Wilson (the company's founder) several times, to talk about this over coffee. The firm was willing to buy the domain name but the owner wanted too much money for it: around US\$15,000 at one time. Although we really wanted the name, the firm was very young at the time and needed whatever extra cash it had for other things. Six months later, I felt an urge to check the domain name again and lo and behold, the owner had dropped the asking price to US\$1,600. I immediately called Wilson and told him to drop everything and buy the dot.com. An hour later, he called back to say he had secured the domain name. It was a huge relief.

Not all of you will be as fortunate. Several of our clients have tried acquiring the dot.com suffix but were unsuccessful even though they were willing to pay a much higher amount than what we paid. Sometimes, you will find that the domain is owned by an ongoing business concern. There would be no way you could buy it unless you bought the entire company. If the other company were much bigger than yours, you would not be able to do so (but you could console yourself by saying you lost out to a giant). If the other company were a smaller one, buying that firm could be a real option.

What would be frustrating is if some kid were sitting on the name you wanted and she refused to sell, no matter what. One of our clients is Jan & Elly, a high-end English language centre that focusses on making lessons fun so students will remember what is taught. Since one of the partners (Jan) has retired, we suggested the company change its name to something like Elly English. Elly Sim, the Managing Director, liked the idea. To our disbelief, some young girl whose name is not even Elly is sitting on the domain and has refused to let it go. We have had no choice but keep the name Jan & Elly and explain where Jan is. Potential franchisees keep asking, "Where is Jan? Who is Jan?" One of our original suggestions – made jokingly, of course – was that Elly's husband, Paul (who is a director in the company), should change his name to Jan. The look of horror on Paul's face put that idea to rest.

How much should you pay for the dot.com suffix? If it is not more than US\$5,000, it might be worth buying, but start the bidding at US\$1,000. That

is just our rule of thumb; there are no hard-and-fast rules on domain name pricing. The answer to how much you pay depends on several factors:

- How much money can you afford to spend?
- Is the dot.com suffix critical to your expansion plans?
- Are there any other options you can explore?
- How badly do you want that dot.com suffix?
- What is the worst-case scenario if you do not get the dot.com?

The last point is critical, because there will be cases where not getting the dot.com will adversely affect your brand. I used to head the marketing communications department of a very innovative Singapore company called Sky Media. It was one of the pioneers of e-learning programmes for primary and secondary school students. Its domain name was www.skymedia.com.sg. When the company took its first step towards expanding the business in Malaysia, Brunei, Thailand, China, Taiwan and other countries, it had to register new domain names in each of these countries, which was a hassle. The domain was also not always available. One fine day, someone said, “Hey, why are we doing all these stupid things? Why don’t we just get www.skymedia.com and be done with it?” Light bulbs flashed; everyone wondered: “Yes, why not? It is a great idea! Why haven’t we thought of it?”

To our dismay, we found that www.skymedia.com was already taken, but that dismay turned into utter shock and disbelief when we found out that the website was used to host gay and lesbian pornographic material! And here we were, trying to sell educational content. One of the Vice Presidents of the company immediately wrote to the other Sky Media to ask if they would sell the domain name and for how much, but in her haste she used her company e-mail so the other Sky Media knew who the inquiring party was. The price? US\$100,000 or no deal. Too much money, we thought, so the company eventually changed its name for the purpose of internationalisation.

This is an important lesson: When you want to inquire about a domain name, always use your personal e-mail – like your Yahoo! or gmail account – or you risk being charged an arm, a leg and an ear. In fact, when my colleagues inquire about domain names on behalf of clients, they also use less-than-perfect English. If your English is too perfect and the e-mail is too orderly, it might raise suspicion.

2. Get A New Brand Name

If you can't buy the domain name for whatever reason, the next best alternative is to create a new name. There are pros and cons. Most clients cringe at the thought because they have been doing business under their existing name for a long time and have done well without a dot.com suffix. Furthermore, their clients already know their name so changing it would upset the balance.

There are also sentimental reasons why companies do not want to change their names. Some of these names have been around for decades and there is a lot of heritage behind them. The objection could be as straightforward as, "The founder of the company is still alive, you know? And you guys want to remove his name from the signboard? No way that is going to happen." These are all valid reasons but sometimes you have no choice. There are advantages to a name change, and there are also ways to soften the shock.

Depending on how you handle it, a change of name can be good or bad. If you do not do it well, people might think the company is in trouble and is changing its name as a result. This is a common perception. But a name change can help you create a new brand story, and people love new stories. A name change gives you an excuse to reconnect with your customers. It is an opportunity to go talk to your external stakeholders – customers, distributors, principals, suppliers, media, etc. and tell them the rationale behind the change, the meaning of the new name, why it was chosen, how it will affect the strategic direction of the brand and what it means for them. Your stakeholders will love the gesture.

3. Add Something To The Existing Name

You can also add something to your name to get a dot.com suffix. If your name is UOB Bank and you can't get www.uob.com, you can always try www.uobgroup.com, which also works out pretty well. But try not to make the website address too long: www.uobinternational.com would be too long for comfort. Long domain names do not work well. If you are a listed company in Singapore, you can add the word "limited" to your name to get the dot.com suffix. UOB Bank could do www.uobllimited.com, but www.uobgroup.com is a better domain name.

When you add something to your name, you have to make sure it is something that is relevant. If you are selling water and the dot.com suffix is not available, you could try www.yourbrandwater.com because that domain name is related to your business. Of course, this course of action should be the last resort; domain names can become very awkward-looking with something added on. In some cases, it would be better to keep the original website address with the country suffix.

4. Resort To Legal Action

You can take legal action to compel the party hanging onto the domain name to release it to you, if you can prove that the other party registered the domain name in bad faith. If you have a company that has been doing business using a certain name and you have trademarked that name, you can prove you are using the name for legitimate reasons. Hence, you might be able to compel the owner of www.yourbrand.com to hand it over to you. Talk to a good Intellectual Property lawyer or company that specialises in domain name registration, protection and re-acquisition.

WHEN DO YOU NOT NEED A DOT.COM SUFFIX?

There are instances in which you might not need a dot.com suffix. One of the reasons – mentioned earlier – is if you are quite sure you just want to do business in your home market and that the lion's share of your revenue will be derived from there. In that case, you can get by without the dot.com suffix.

The other instance is when your country of origin is so well-known for the kind of product or service you are providing that you might want to leverage on the country brand to generate some halo effect for your brand. For example, Switzerland is renowned for its watches and chocolates. If you were a Swiss watchmaker or chocolate company, letting people know your Swiss origins would give you added credibility and unfair competitive advantage. Singapore is well-regarded in the food sector for its quality and safety standards. If you were a Singapore food manufacturer, you could possibly get by without a dot.com suffix. If you were an aerospace components manufacturer from Singapore, however, you might want a dot.com suffix because a dot.com.sg suffix would not help your brand much. Singapore is not that well-known for aerospace components.

You need to be very clear about how your country of origin is perceived by the rest of the world when it comes to the industry or sector you are operating in. If it has a solid-gold reputation, your domain name reflecting your country would be of some help. Otherwise, get a dot.com domain name.

BEWARE HOW YOUR NAME LOOKS ON THE INTERNET

Sometimes, names that are perfectly okay in the real world end up looking really hilarious on the Internet. Some companies do not realise this. You have to be careful about how your brand name translates or you could end up with an embarrassing situation. If you trawl the Internet, you will find a number of articles on some of the really bad domain names. I will list nine rather interesting ones; some have since been dropped or modified.

Who Represents

Who Represents is a website where you can find out the name of the agent who represents a particular Hollywood celebrity. It would be a useful website to budding actors, actresses or singers who need to find an agent to help launch their careers. But the domain name is www.whorepresents.com. Whoa, Nellie, whoa! That looks like a place Richard Gere went to buy a gift for Julia Roberts in the movie *Pretty Woman*.

Experts Exchange

This is a website that acts like a knowledge database for software engineers to exchange information and seek advice. That sounds like a great idea except that it might be mistaken for a different kind of website just looking at the domain name: www.expertsexchange.com. Expert Sex Change? Well, they have since changed it to www.experts-exchange.com. Much better, guys.

Pen Island

Pen Island is a company that sells customised pens. Since a pen is a popular gift item among people and companies but nobody really wants to spend too much time shopping for such an item, buying customised pens sold over the Internet makes a lot of sense. What is not such a great idea is having a domain name that suggests you are selling something else. What does www.penisland.net look like to you?

Therapist Finder

This is a website that helps you find therapists. But we suspect the FBI might actually frequent this website because it apparently promises to help find sex offenders. After all, the domain is www.therapistfinder.com.

Italian Power Generator Company

We think the domain name says it all: www.powergenitalia.com.

Mole Station Native Nursery

This one is based in New South Wales and they take care of plants. From the domain name – www.molestationnursery.com – you might not know that. They have since changed it.

IP Anywhere

You do not have to look at the domain name – www.ipanywhere.com – to know this is a bad name. It sounds like, “I Pee Anywhere”. If you do that in Singapore, they will catch you and throw you in jail!

Speed Of Art

Some whacky designers came up with this website: www.speedofart.com.

Lake Tahoe

Want to holiday in Lake Tahoe? Then check out its website for more information: www.getahoe.com, which sounds like, “Get A Hole”.

These are some of the examples I found. I am sure there are many more such hilarious examples. Funny they may be, but they also highlight a serious problem you need to watch out for. You get one chance to make an impression; make it a good one. The way things are moving on the Internet, you may not get a second chance.

In a nutshell

There are four questions you need to answer with regard to your Internet strategy:

1. Is the Internet for business or for communications?
2. Is your website “sticky” enough?
3. Can you be No. 1 on the Internet? On the Internet, there is not much room for a No. 2.
4. Do you have a name that stands out on the Internet?

Whether you use the Internet for business or for communicating your brand, it pays to have a dot.com suffix for your domain name. A dot.com makes you look bigger than you are. And, like it or not, a dot.com is a first-class Internet citizen and anything else is seen either as a second-class citizen or an illegal immigrant.

A dot.com also makes it easier for you to globalise. With a dot.com, you do not need to register a local domain name in every country you go into.

If the dot.com suffix is not available, you can do one of four things:

1. Try to buy the dot.com suffix from whomever is holding onto it but do not use your company e-mail when writing to the owner.
2. Create a new name for which the dot.com suffix is available.
3. Add another word to your name if that helps you get the dot.com suffix.
4. Resort to legal action to get the domain name but talk to your lawyers to see if you have a solid case.

CASE STUDY

BrandQube

BrandQube is a new branding blog that was scheduled for launch sometime in the first quarter of 2009. When this book goes to print, no one would have seen the final product yet but I have decided to include it because we are only interested in the name and it is the only one of the 10 major case studies in this book that is a purely online brand. We will not be overly concerned as to BrandQube's business model at this point.

If you type in "branding blog" on Google, you will be rewarded with over 100,000 hits so the question that might come to mind would probably be something along the lines of, why does the world need yet another branding blog? There are three reasons why BrandQube has come about.

The first reason is that there aren't too many branding blogs dedicated to Asian brands and branding in Asia. Although the world is getting smaller due to globalisation and the Internet, Asia as a whole is a unique market with very diverse cultures, values, challenges, opportunities and market needs. Asia will still be the growth engine for the global economy in the 21st century, driven by the twin juggernauts that are China and India. That warrants a branding blog dedicated to Asian brands and the nuts-and-bolts of branding in Asia.

The second reason is that there aren't any branding blogs dedicated to branding for small and medium-sized enterprises (SMEs) although SMEs usually account for 90 per cent of the companies in any country. Most blogs talk about the big successful global brands, but what about the SMEs that could be tomorrow's success stories? Statistically speaking, SMEs and start-ups have a better chance of being The Next Big Thing. Every big brand you see today was not started by a big corporation but by some entrepreneur working in a garage (metaphorically as well as literally) so BrandQube wants to talk about how SMEs can brand themselves better despite limited resources.

The third reason is that brands are multi-dimensional creatures and they have become more complex over time, thanks to technological advancement (which is actually very ironic), hypercompetition and new economic-environmental challenges. It is not enough for a brand to be strong in just one area. Weaknesses in one dimension will allow competitors to move in. That is why brand owners need to look at the various dimensions of branding – strategy, execution, finance, operations, technology, people, competition, SWOT, R&D, corporate social responsibility (CSR)

and a legion of other things – and that is one of the things BrandQube intends to do.

The Challenges

Branding blogs are a dime a dozen – maybe more, since it is quite easy to set up Internet-based operations these days. BrandQube is being launched into a very crowded space. It will have a lot of difficulty standing out unless it has a Unique Selling Proposition (USP) that is truly unique and it can sustain that USP throughout. Even with a powerful USP, it will still have a hard time, simply because there are just so many distractions on the Internet – and not from other branding blogs or marketing-related websites.

I said earlier in this chapter that there is usually little or no room on the Internet for a No. 2 brand unlike in the brick-and-mortar world. So, for BrandQube to be successful, it has to become No. 1. That is not very likely to happen as there are other very well-established branding blogs on the Internet, some of which have been around since the turn of the century. This is going to be a very big hurdle for BrandQube.

Finally, there is the name. On the Internet, a brand can live or die based on its name alone – more so for a purely Internet brand like BrandQube. Whatever deficiencies in the name that may exist in the physical world will be magnified many times over in the virtual world. The brand name must be able to cut the mustard, to use a popular saying.

The Branding Solution

In *Transforming Your Business Into A Brand* I talked about how fortune usually favours the first brand in the market – provided the first brand in the market knows how to play its cards correctly. And the first brand in the market has an advantage because it has the licence to establish the brand in the mind – where it really matters – before the pesky competition shows up. BrandQube did not have that first mover advantage. So, what it needed to do was create a new category that it could be first in or move into a category that it could potentially dominate.

BrandQube has decided to take the opposite position from other branding blogs by focussing on branding in Asia for SMEs. But it will not restrict contributors to the blog from talking about Western brands if they are needed to illustrate the principles of branding. Focussing on the SMEs seems like a good move as there are more SMEs than multinational corporations (MNCs) in any given market. The SMEs

usually need more assistance but they also have the potential to become The Next Big Thing. Through this, BrandQube is attempting to differentiate itself and create a new category it can call its own.

To reflect that BrandQube is a branding blog that is set up to help SMEs in Asia develop stronger brands, the tagline “From Business To Brands” has been chosen.

The Naming Solution

The name is a tricky one as it needs to be as short as possible – ideally no more than two syllables – but the problem facing BrandQube was that it probably would have been easier to find a needle in a haystack than create a two-syllable brand name that was unique and for which the .com suffix was available. Well, it is actually not that hard if you are willing to settle for nonsensical two-syllable brand names. There are a lot of random name-generation engines or software that can help you with that. However, a good name also needs to comply with all the 10 Rules Of Naming, not just one or two.

How did the name BrandQube – pronounced “brand-cube” – come about? What is the rationale behind the name?

First, the name had to be brand-related. That means by looking at the name, you would have to be able to tell that this website had something to do with branding issues. Therefore, the first part of the name starts with “Brand”. While this meets the objective of having a brand-related name, it puts limits on what can be achieved with the name.

Second, the name had also to provide a subtle and hopefully clever link to the kind of things that one could expect to find on the website. “Qube” was chosen as the second part of the name because a cube is a six-sided object that can be used to represent the multi-dimensional nature of brands and the multi-dimensional issues that BrandQube wants to address. The ‘Q’ in Qube represents branding questions that the blog would like to help address. Plus, the ‘Q’ makes the name look visually more interesting.

Third, the name BrandQube was finally chosen as a search on Google and Yahoo! did not result in any direct hits and the .com suffix was available.

CHAPTER 13

**Rule No. 10 –
The Name Must Be
Language Neutral**

THERE is a saying that goes, “One man’s meat is another man’s poison.” Although this was meant as a metaphor, it could be true literally: One person could find prawns delicious whereas the next guy could have a severe allergic reaction to them.

We say, “To each his own”, because there are certain things in life that are just too subjective. When we create logos for clients, something we think is great – defined as something that not only looks good but meets all the stringent evaluation criteria set by our consulting and design teams – might meet with violent objections. For example, a client might not like the colour combination of black text and a dark orange background although that is objectively the best, given that the client’s product will be used in dirty environments where any other combination would be hard to read. However, the client might insist on using teal green and black instead.

When it comes to the name, it’s the same thing: “Beauty is in the eyes of the beholder.” What is beautiful to one person may be hideous to another. You can meet all the objective parameters set by both client and consulting team at the start of the project and create a name that is great, but still run into objections. There was one particular product-naming project for a large European multinational corporation we did that dragged on for a long time for this reason. Ultimately, you need to make your naming decision based on objective measures and hard evidence that the name is a good one to use. That is why I left this rule of naming for last.

After you have made sure your brand name is easy to pronounce, easy to remember, works in English, is short, unique, does not use generic words, does not use acronyms, has both a brand name and a category name, and has the dot.com suffix, you need to make sure the name is language-neutral. Remember that there are close to 7,000 languages in the world. A name that sounds beautiful in one language might sound terrible in another.

Your products or services will eventually be sold in other markets, given that globalisation will force you to take the fight to your competitors in other

markets. The best defence is really a good offence. Size matters. The bigger army wins. To protect yourself, you have to grow bigger. To grow bigger, you have to extend your reach to the global market. That will expose your brand name to people from many different countries who speak different languages. Unfortunately, the opportunity to run into trouble increases exponentially! You are bound to find at least one language in which your brand name might mean something negative.

In this respect, there can be no compromise, regardless of how much you like the name. A name that is not language-neutral will need to be changed or modified unless you decide not to sell in that particular market. If you have a name like Sum Ting Wong, you can't sell in English-speaking markets; nobody will buy your products. If you have a name like Ralph Lifshitz, you can't sell in English-speaking markets either; nobody will want to put on a Lifshitz shirt or wear Lifshitz perfume. Imagine this scenario: You are a guy walking down the corridors of your office and a female colleague passes you by and says, "Hi there, Wong. You smell nice. What is it you are wearing?" and you proudly say, "Oh, hi there, Sally. Thanks. It's a Lifshitz cologne." What an anti-climax. Nobody will ever wear a Lifshitz cologne. If you want to sell in markets where Sum Ting Wong or Ralph Lifshitz have bad connotations, the names must change. So, Sum Tim Wong must become something like Wang Der Foo – that actually sounds like "wonderful". And, you already know that Ralph Lifshitz became Ralph Lauren.

One of my friends told me a funny incident that happened in a cinema. She went to watch *Star Wars Episode 4* with some of her Hokkien-speaking guy friends. For those of you who are not familiar with Hokkien, it is a Chinese dialect widely spoken in Singapore. That episode of *Star Wars* introduced Queen Amidala, the ruler of Planet Naboo, which was under siege – a familiar *Star Wars* theme. Halfway through the show, one of the guys muttered under his breath, "*Wah lau eh!*"⁷⁶ No wonder people want to attack that planet. With a name like 'Naboo', I also want to attack them, man. Choose name also don't know how to choose." People who heard that remark burst out laughing. You see, the name Naboo sounds a lot like a Hokkien swear word that has to do with your mother. Maybe that was the real reason why the planet Naboo was attacked – some alien race (presumably a Hokkien-speaking one) felt they had to defend their mothers' honour.

⁷⁶ This is a Hokkien term that is somewhat akin to "bloody hell!"

The danger to your brand is real. You may unwittingly insult your customers with your brand name. There is this brand of cosmetics from Japan called Kanebo. Do you know it? We do not think it is that big a brand in Singapore because the name is not a language-neutral one. Apologies if this sounds crude, but the name sounds rather like Hokkien for “sc**w your wife”. It is a name that might turn off some women.

When I first started working in Singapore, I was a copywriter for an advertising agency in Chinatown. At the time, there were a lot of advertising agencies and design houses parked in that area. One day, my boss took me out to lunch. As we were walking back to the office after the meal, Boss pointed out a vegetarian restaurant: “This is supposed to be a very high-end vegetarian restaurant. It is new. Maybe we should take the whole office here for lunch one day.”

I looked at the name of the restaurant and said, “Then you had better do it soon. I don’t think this restaurant will be here for long.”

The boss – a very cynical man with a booming voice – replied, “How would you know? Are you a fortune teller?”

I turned around: “You spent 11 years working in Hong Kong and you hung around with many well-known Hong Kong celebrities. I assume you can speak Cantonese by now?”

Boss said, “Of course, *lah*! How else to survive in Hong Kong for 11 years? English is not widely spoken there, you know!”

Then I dropped the bomb on him. “This restaurant is in the heart of Chinatown and I know for a fact that many Chinatown residents are Cantonese-speaking. Look at the name of the restaurant. I do not know what the Chinese characters are because I can’t read Mandarin, but the English name is Ci Hang. You know what *see-hung* is in Cantonese? Toilet bowl! Who wants to eat in a restaurant called the Toilet Bowl?”

My boss frowned and was quiet. I stayed in that company for a year. The restaurant disappeared from the scene even before my one year was up.

Singapore is a very interesting market because of the various Chinese dialects spoken in it. If nothing else, it makes for some hilarious marketing blunders when foreign companies sell their brands here. They probably assume that since English is the official language, they will be fine if the brand name is one that works well in English. Nissan – a company that struggled with an identity crisis because it could not decide whether to call itself Datsun or Nissan and for a period of time its cars carried both names – made a few memorable blunders in naming. Singaporeans over the age of 30 might remember a car called the

Nissan Bluebird. What's wrong with that name? Nice name. Two syllables. Easy to pronounce. Easy to remember. But when you translate Bluebird into Hokkien, it sounds like "penis". Who would want to drive a car like that?

Nissan followed up with a car called Cefiro, which was pitched into a very competitive market segment inhabited by powerhouses like the Toyota Camry and Honda Accord. The last two generations of the Cefiro were actually very good cars – big, comfortable, quiet, powered by an award-winning V6 engine and they actually handled quite nicely too – but the name in Cantonese sounded literally like "dead fat man". It is a good thing there are very few Cantonese speakers left in Singapore. We doubt the local distributor of Nissan in Hong Kong would ever allow that car to be sold there under the name of "Cefiro".

Last we heard, Nissan will be using the name Teana for the latest generation of Cefiro – the name it goes by in the Japanese market. Kind of boring and feminine-sounding for a car that is so big and targeted at middle-aged men, but it is better than the name of the car Nissan is pitching against the Honda Civic: the Sylphy. We do not know if this name is language-neutral or not but it does not matter. It sounds terrible even in English. It reminds me of the sexually transmitted disease called syphilis. Shocking. I am sure Nissan did not intentionally name the car after a disease but that is what many people have told me the name sounds like. Then again, these are English-educated people. When I asked those whose first language was Chinese, most told me there was nothing wrong with the name. I am sure the Sylphy is a well-engineered car but with a name like that, I will take the Honda Civic, please – and make that a Type R with the 200 bhp engine.

NAMES THAT BOMBED IN ANOTHER LANGUAGE

Just imagine. If a small market like Singapore – 704 sq km and 4.6 million people – can create so many problems for brands in terms of language, imagine what it would be like when you take your brand to the world market. It would be better to find out if your name meant anything bad in other languages early, rather than discovering it only when the negative connotations hit your bottom line. Here are some examples of how good names can go astray.

The Car That Went Nowhere

Chevrolet is a division of General Motors (GM). It has traditionally been the entry-level brand among the various brands owned by GM. The Chevrolet Nova became quite a popular car in the United States. The third generation of the Chevrolet

Nova, which was made from 1968 to 1974, was also exported to South America for sale. As you know, Spanish is the language most widely spoken in South America except in Brazil, where Portuguese is the main language.

Nova was a good name to use. It referred to a very bright star. Naming your brand after something so bright and energetic is not a bad thing. It is a two-syllable word that is also visually short – only four letters. You want to avoid a name like “supernova” because when a star goes supernova, it burns very bright and hot for a while, then dies. So, Nova was good. In English, at least. GM ran into trouble in the Latin markets with the name.

The Chevrolet Nova did not do well in Spanish-speaking countries apparently because the name Nova in Spanish sounds like “no go” or “it does not go”. I do not know about you but when I buy a car, I want it to be able to go very fast, not stand still doing nothing. Although I have seen articles on the Internet that have called this an urban legend, there is no denying that the name would hurt the Nova’s sales in Latin American markets.

The Chevrolet Nova story reminds me of a joke in a children’s joke book published many years ago. It goes something like this:

Little Boy: Hey Sally! I just saw the most incredible car with my dad today at the car showroom. It was made of wood. It had a wooden frame, a wooden body, a wooden interior, a wooden engine and even wooden wheels. It was so cool.

Little Girl: Wow! That is an unusual car. Did your dad buy it?

Little Boy: No ...

Little Girl: Why? That sounds like such an incredible car!

Little Boy: Well, the car wooden go.

I admit it is a corny joke, but the little boy might have been talking about the Chevrolet Nova. There are real cars actually made of wood. A small British sports car specialist called Morgan still has some classic models that feature ashwood frames, but they do have proper engines that make them go quite fast.

The Car For Less Endowed Men

Chevrolet is not the only American car company that ran into trouble in South America. Its cross-town rival, Ford, also had its share of embarrassment in the South – in Brazil, and in a different language (Portuguese).

Ford has a small and sporty two-door car called the Pinto. Ford even has a print advertisement with the headline, “The Pinto’s Little Options”. The advertisement was meant to highlight the many different ways customers can personalise their Pinto. The car was little, but coupled with “Pinto” – which had its own meaning in the Brazilian Portuguese slang – the ad came out calling the car, “small penis”. Now, who would want to drive a car like that? If you were a Brazilian man, would you zip around town in a car that shouted out your vital measurements to the world? It would have been too embarrassing. Did the car do well in Brazil? We do not know. We have not asked.

The SUV For People Who Like To Touch Themselves

Mitsubishi makes a very popular SUV called the Pajero. My uncle used to own one and I used to borrow it to cruise around town. It was quite an experience to drive such a big and tall vehicle with lots of off-road gadgets and enough space to seat nine people! It drank petrol faster than an alcoholic would down whisky but since my uncle also owned a Shell gas station, it was not a problem. The Pajero had even won the gruelling Paris-Dakar Rally.

The Pajero is also sold under two other names: Shogun and Montero. Why? The Pajero name can’t be used in Spain because it is apparently the Spanish slang for “masturbator”. For about a year after I learnt of this, I would break into laughter every time I saw a Mitsubishi Pajero – even the Pajero Mini. I try not to do that when my colleagues are with me. They already think I am nuts, as it is.

The Car For Ugly Women

Toyota is the world’s No. 1 carmaker in terms of volume and profits. Its game plan is to fill every niche with well-made, affordable and highly reliable vehicles. Toyota even makes a car for ugly women, but only ugly women in Puerto Rico. It has a model named the Fiera. On the surface, it looks like a great name. It is short and conjures up images of passion and high performance. Fiera sounds like a fiery name, too, and it did create some fiery situations in Puerto Rico because the name translated to “ugly old woman” over there. Lots of controversy dogged that name. You will not find that model in Puerto Rico nowadays. No woman, no matter how old and ugly, would want to drive a car with such a name!

Expensive Animal Droppings

The Germans were not too crazy about the Rolls-Royce Silver Mist. People who can spend obscene amounts of money on a car want the world to know they have great taste, but it proved rather difficult with the Silver Mist, which somehow translated into “Silver Animal Droppings”. (This is where I cue in the music from Britney Spears’ song, ‘Oops I Did It Again’.)

Manure, It is What Makes For Curly Hair

A curling iron is something many women are familiar with. Clairol decided to launch its own curling iron, the Mist Stick. The brand did not do well in Germany because in German slang, the name Mist Stick sounds like “Manure Stick”. Well, even if manure were the secret to having nice curly hair, we doubt there would be many takers.

Rub The F-Word Onto Your Chest

We are sure many of you are familiar with Vicks VapoRub. That is what your mother used to ease your coughs and chest congestion when you were a child, especially at night. We think VapoRub is an appropriate name because that is what it is – something you rub onto your chest to create soothing vapours. Unfortunately, the name Vicks sounds like the “F”-word in German, so even though VapoRub is a great name, being attached to Vicks is a limiting factor in the German market.

What Kind Of Engine Oil Is That?

Foreigners entering Germany are not the only ones who make mistakes in naming. The Germans have made mistakes outside of their home market. There is a brand of German engine oil called Fuchs. I have seen it in Singapore but have always avoided buying it because of the name. My German friends tell me it is quite good and I am sure it is, but would you buy an engine oil called Fuchs? After all, the Fuchs Group, founded in 1931, is the world’s largest independent supplier of industrial and specialty lubricants. You do not get to be the biggest without getting the quality right.

Well, I have stuck with Mobil 1. It has a name that sounds like it will keep my engine running forever. And Mobil did come up with the synthetic engine oil way back in 1983. They used to sponsor the Williams Formula 1 team and it was reported that when the team switched to Mobil 1 synthetic engine oil,

they gained 14 brake horsepower. Impressive. And it is backed up with a great name. I would have recommended to Fuchs that it use a different brand name for its mass-market products.

WATCH OUT FOR BAD TRANSLATIONS AS WELL

When you have a global brand, chances are you will want centralised control of certain aspects of the brand to ensure consistency. When I wrote *Great Asian Brands: Tiger Beer* – the first book in the Great Asian Brands series by my publisher, Marshall Cavendish – I found out from the Tiger Beer folks that when the company decentralised its advertising in 2000 and allowed the local markets to have their own advertising direction, inconsistencies in the communication of the Tiger Beer brand arose, which caused confusion. Tiger Beer eventually centralised control of the advertising again so that it could consistently project its brand message of ‘The Beer For Winners’.

A global brand needs to have central control of certain aspects of the brand, such as the tagline, the brand messages, etc. Nike will always be ‘Just Do It’; Lexus will always be ‘The Relentless Pursuit Of Perfection’; Oral-B will always be ‘The Toothbrush More Dentists Use Themselves Worldwide’ – regardless of the markets they operate in. But these taglines need to be translated into local languages. This is where things can go horribly wrong.

I was once seated with two of the most senior executives of a multinational corporation’s Asia Pacific operations. One asked what I thought of the company’s new tagline, which was set by the company’s headquarters. I said it was not bad but quite meaningless. Since the tagline had been cast in stone, the best thing I could suggest was to modify it by changing the word “empower” to “empowering”. Both these senior executives agreed but could only make the modification to “empowering” in translation. That is a smart way of getting around the problem of having a meaningless tagline. Yes, this was a big company – big enough to come up a new and meaningless tagline and get away with it. You can’t.

In many cases, the translation of the brand tagline into a foreign language goes haywire and the results are hilarious (especially for the competitors) but they are hugely embarrassing for the companies involved. This section will highlight some of the more prominent examples. I am sure some of you have experienced bad cases of translations as well, so this might bring back some painful memories.

Pepsi

Pepsi is a brilliantly positioned company. It has used many variations of “The Pepsi Generation” tagline, which signifies youth. One was “Come Alive With The Pepsi Generation”, which was great. It further cemented Pepsi’s position as the cola for young people, as well as the young at heart. It urged people to ditch Coke and come alive and be young again by joining the Pepsi crowd.

It was all good until Pepsi took the tagline to Taiwan and translated it into Chinese. The translation read, “Pepsi Will Bring Your Ancestors Back From The Dead.” Well, it would seem that the majority of people out there are not really keen on bringing their ancestors back from the dead, which may explain why Coke is the best-selling cola. As for me, I do not even know if my ancestors are nice people so I would not bother.

Schweppes

Schweppes used to run TV commercials in the seventies and eighties to teach people how to pronounce their name. It is not an easy name but Schweppes overcame that handicap to become a leading brand for tonic water. The brand ran into trouble when a promotional campaign for Schweppes Tonic Water in Italy was wrongly translated into “Schweppes Toilet Water”. The Singapore government has had a hard time convincing the public that its Newater – which is recycled from waste water – is good enough to drink, but Schweppes Toilet Water would be a mountain too high.

Coors

Coors is a brand that did very well in the US because it kept advertising that its beer was brewed with Colorado mountain water. What is so special about Colorado mountain water? I do not know but it sounds good. There is something about mountain water that makes people think it must be fresher, better and healthier.

I grew up in Ipoh, a town in Malaysia famous for its *hor fun* – a kind of smooth, white, flat noodle. Everyone knows Ipoh *hor fun* is smoother and tastier because it is made from Ipoh’s mountain water. It was only recently that I found out from a friend who tried to export Ipoh *hor fun* to Singapore that the ingredient that makes the noodle smooth is boric acid, and Ipoh *hor fun* has

higher levels of boric acid than permissible. Now you know why it is so smooth. Too much of that stuff can kill you, however.

When Coors went to Spain, it used the tagline, “Turn It Loose”. The translation into Spanish was also a little loose. It came out as, “You will suffer from diarrhoea.” Well, you know what beer to drink if you are ever constipated.

KFC

This is the leading fried chicken franchise in the world. KFC is to fried chicken what McDonald’s is to hamburgers and Coca-Cola is to soft drinks. KFC has been very consistent in its brand messaging. If you watch the TV commercials, you will always see happy people smiling contentedly while enjoying their fried chicken. Many of these ads will never come close to winning a creative award but it does not matter. It gets the message across that KFC is finger-lickin’ good. And I think that is a great tagline. But “It’s finger-lickin’ good” got translated wrongly into “bite your fingers off” in Cantonese for the Hong Kong market.

Coca-Cola

One of the meanest marketing machines in the world is not immune to translation gaffes either. The Coca-Cola name, when first translated into Chinese, became “Bite The Wax Tadpole”. That sounds to me like the name of some martial arts move in a Jackie Chan movie. The company eventually found a Chinese name that meant “Happiness In The Mouth”. Between this and the mistake of killing the original Coke and replacing it with New Coke? Well, the New Coke saga still takes the cake. I hope Coca-Cola does not ever make a mistake to top that one.

The Potato

A T-shirt manufacturer in Miami once printed T-shirts in Spanish to commemorate the Pope’s visit. By referring to the Pontiff as “la Papa” instead of “el Papa”, the T-shirts read, “I saw the potato.” I do not think the Pope would have been too pleased about being referred to as a potato.

Parker Pens

Parker is one of the most famous names in pens. But it managed to embarrass itself in Mexico when one of its advertisements with the headline, “It will not leak in your pocket and embarrass you” was translated into, “It will not leak

in your pocket and impregnate you.” The company mistook the Spanish verb “embrazar” to be “embarrass”, but it actually meant “impregnate”. The good thing is, Parker was right either way. I have never come across a Parker pen that leaked and caused unintended pregnancies.

American Airlines

American Airlines wanted to draw attention to its luxurious business class by playing up the fact that its seats were trimmed in leather. It used the slogan “Fly In Leather”. Translated into Spanish for the Mexican market, it read, “Vuelo en Cuero.” That translation was technically correct. What the Spanish dictionary failed to point out was, “en cuero” is slang for “in the nude”. Not too many people took up American Airlines’ offer, even though it would probably have been more comfortable flying in the nude than in a stuffy business suit.

The Shanghai Commercial & Savings Bank

If you go to YouTube and type in “Puki Puki” you will find a TV commercial by The Shanghai Commercial & Savings Bank – not to be confused with the Hong Kong & Shanghai Banking Corporation (HSBC). The star of this commercial is an animated dancing pig named Puki. There is a jingle that goes along with it. Its purpose is to encourage kids to save with the Shanghai Bank. It is a good thing this commercial is only for use in China, because in Malaysia and Singapore, “puki” is a really bad swear word. But that is the name of the pig. I found out about this in 2007, when some of my colleagues’ Malaysian and Singaporean friends who were working in Shanghai alerted them to this hilarious commercial. As long as the commercial is not shown in this part of the world, I think the bank will do fine.

Perdue Chicken

Frank Perdue is a big man. I have seen photos of him. He looks tough, like John Wayne in Westerns. Perdue has a very memorable tagline – one of the all-time greats in my opinion: “It Takes A Strong Man To Make A Tender Chicken”. Yes, it is a bit long but it sticks in the mind. That tagline, when translated for Spain, came out as “It Takes An Aroused Man To Make A Chicken Affectionate.” Where on Earth did they get their translators from? I do not know about you, I like my chicken to be tender but not too affectionate. If they get too affectionate, I might not want to eat them. And I do not want any aroused men around my chicken either.

McDonald's

McDonald's biggest seller is the Big Mac. Sounds like a tasty meal but much to McDonald's chagrin, a big part of Canada does not think so. I first read about this in one of my marketing textbooks when I was in university. Apparently, when the Big Mac was launched in Canada, it was a bit slow to take off because in Canadian French slang, Big Mac means "big breasts". It would be quite embarrassing to walk into a McDonald's restaurant in Toronto and order a Big Breast Value Meal. It would be even more embarrassing if you were asked, "Do you want to upsize that, sir?" The Canadians are used to the Big Mac now. It is all good.

Electrolux

Electrolux⁷⁷ is one of the leading brands in the world for home appliances such as washing machines, vacuum cleaners, dishwashers, refrigerators, ovens, cookers, etc. The company was established in 1910 and created its first vacuum cleaner in 1912. Every year, Electrolux sells more than 40 million products to customers in over 150 countries. The company also has a B2B division that sells products for professional use, such as in industrial kitchens, restaurants and laundromats. In 2007, the company employed 57,000 people and enjoyed a sales turnover of S\$23.8 billion (SEK105 billion).

This Swedish company made a mistake when translating its famous – or rather, infamous – advertising tagline. It did not even translate it into another language. It ran print advertisements with a photo of an Electrolux and the Leaning Tower of Pisa. It was meant to suggest that the Electrolux vacuum cleaner is so powerful that buildings would tilt as a result. It was kind of cheesy but that was alright. The tagline was not.

Electrolux used the tagline, "Nothing Sucks Like An Electrolux". That might have been alright in countries like the United Kingdom in the past, when the word "sucks" meant just that. When the advertisement was used in the United States, it bombed. As we all know now – thanks to the Americans – the word "sucks" is synonymous with "bad". If something sucks, that something is really bad. Technically, there is nothing wrong with the tagline because a vacuum cleaner is meant to suck up dirt. If Electrolux could prove that nothing sucked like an Electrolux, it would then be the king of vacuum cleaners.

These days, however, I think Dyson – with its innovative design and outlandish looks – could lay claim to being the king of vacuum cleaners. Dyson's success

⁷⁷ http://www.electrolux.com/about_electrolux.aspx

illustrates a powerful branding principle discussed in *Transforming Your Business Into A Brand*, and that is focus. Dyson focussed its resources on doing just one thing and doing it better than anyone else on the planet. That focus allowed it to come up with fantastic new innovations in vacuum cleaners.

It is a good thing Electrolux had that first mover boo-boo with its tagline. Now, European companies are more careful when they export their advertising taglines across to America, because Americans have a knack for turning ordinary English words into something bad. It is a good thing Philips – which is quite well-known for its hair dryers – has not tried a tagline like, “Nothing Blows Like A Philips” because the word “blow” has a double meaning in the States. It is teenager-speak for “bad”. It has the same meaning as “sucks”. Go figure.

SO, HOW DO YOU TEST FOR LANGUAGE NEUTRALITY?

Testing for language neutrality is not as straightforward as it sounds. Several steps are involved, and the biggest challenge is always the first step. The following section highlights how you can go about testing for language neutrality. At StrategiCom, we have our own in-house naming methodology called Phero™, which we use to create names for clients. Usually the part that is most time-consuming is the testing for language neutrality. I will give you an overview of what you need to do to ensure your chosen name – whether a corporate name or product name – can be made as language-proof as possible.

Please note that a name that is language-neutral today may not be so tomorrow. A language is a living thing. It changes. It grows up. It evolves. If you had started a company 50 years ago and called it Sucks or Blows, it might have been language-neutral in English-speaking markets. Now, with a name like Sucks or Blows, you would be doing the equivalent of selling a Chevrolet Nova in Spanish-speaking markets. Your brand would simply go nowhere.

1. Identify your key markets

This seems like such an obvious thing to do, right? Every first-year marketing student would have been taught that one of the first things you must do is to identify your target market in terms of geographic markets, demographics and psychographics.

“Geographic markets” refers to the countries you want to market your brand to. The term can refer to countries you want to target or, if a particular

country is too big – like China, for instance – the market can be broken down into smaller geographic markets such as Shanghai, Beijing, Shenzhen, Guangzhou, etc. Increasingly, many of our clients are doing so when they venture into large countries: They target specific states or cities.

The term “demographics” refers to the characteristics of your target customers. Commonly-used demographics include race, age, income, disabilities, mobility (in terms of travel time to work or number of vehicles available), educational attainment, home ownership, employment status, and even location. Distributions of values within a demographic variable and across households are both of interest, as well as trends over time. Demographics are frequently used in economic and marketing research. Demographic trends describe the changes in demographics in a population over time.

“Demographics” as a noun is often used erroneously in place of “demography”, the study of human population, its structure and change. Although there isn’t absolute delineation, demography focusses on population structure, processes and dynamics. Demographics are most often used in the fields of media studies, advertising, marketing, and polling, and as a term should not be used interchangeably with “demography” or (more broadly) “population studies”.

“Psychographics” refers to the attributes that have to do with personality, values, attitudes, interests, or lifestyles. They are also called IAO variables (for Interests, Attitudes, and Opinions). They can be contrasted with demographic variables such as age and gender, and behavioural variables such as usage rate or loyalty.

When a relatively complete assessment of a person’s or group’s psychographic make-up is constructed, this is called a psychographic profile. Psychographic profiles are used in market segmentation and advertising. Some categories of psychographic factors used in market segmentation include social class, lifestyle, behaviour, opinions and values. Psychographics can also be seen as an equivalent of the concept of “culture”, as used most commonly in national segmentation.

When it comes to identifying your key markets for the purpose of language testing, we are typically talking about geographic markets. Once the geographic markets have been identified, the name-testing process is easier. We can find out the key languages and dialects spoken in those key

markets. The markets you are already operating in will be included in the name testing, of course, but what is of more interest is the future – the key markets you will be targeting in the future. How far into the future? Let's say 10 years.

Forecasting target markets is a surprisingly hard thing to do. Many companies agonise over what geographic markets they want to bring their brand into in 10 years, because even the best plans can go haywire due to circumstances beyond your control. For example, an opportunity could suddenly arise in a market you did not originally plan to go into. And you can't test the name in all the markets in the world because that would cost you a bomb. So, you have to be selective and pick the 20 most likely markets. We then test the name in those 20 markets to see if the name you want to use has any bad connotations in the languages spoken there.

There was one particular naming project my firm undertook that ran into an unusual number of red flags during this phase. Out of the top 10 names the client liked, eight had to be thrown out because of language problems. One was said to sound like "anus" in Portuguese, although the spelling and pronunciation were not the same. That name had to go, although the client was very fond of it. Another name, which the client also liked very much, had to be thrown out because it reminded the Japanese language experts of "telekura", which in Japan is "telephone sex club".

Another name – and this was the client's favourite – had to go because in Myanmar language, it sounded like "a bunch of penises". One by one, the names fell to the rigours of our language neutrality tests until two remained. The client put them both to the employees to vote. The winning name had 60 per cent of the votes. The employees felt that it was slightly easier to pronounce.

2. Use in-house expertise

Many of you have hired talent from overseas or you might have branch offices in other countries. If you do, you can use your own people to do language neutrality testing. This is particularly useful when you are launching a new product with a new name meant for your existing markets. But your in-house expertise might not suffice if you are moving into a totally new market. In-house expertise would also not be enough for the markets you

intend to go into in the future, unless you happen to have employees who are from those countries. Another thing to look out for when using in-house expertise is that what might appear alright to one person might not be fine, because that person might not be familiar with the slang. That is why we use language experts who are familiar with the language as well as the slang. And that is another reason why the name testing process is expensive.

You could ask your clients, suppliers, distributors, bankers or business partners who might speak the language, but only do this if you are sure they know the language well and only if you can trust them to keep the name confidential until you launch it. I would rather you not do this, because these are external parties that are hard for you to control. The fewer people that know about the names you are testing, the better. You do not want your competitors to get wind of what you are doing.

3. Use a translation company

A translation company would be a pretty good bet, provided it is a reputable company with qualified translators. The quality of translation companies varies, so if you are going to use one to do your name testing, make sure you find a good one and ask for a certificate that states that the name does not mean anything bad in the language you wanted it tested in. Using a translation company might be better than your own employees but be aware that even translators might not know everything. There is an outside chance the name might run into trouble. That is why our first choice is to find language experts to test the names.

4. Test for how it looks

This is not a purely aesthetic test to determine if the name looks good to the eye. We want people to look at the name and tell us if it looks like a word that has a bad meaning in the language we are testing it in. For example, the name that was said to be too close to the telephone sex club in the earlier example did not sound like “telephone sex club” when pronounced but looked like it. We did not translate it into Kanji for the Japanese language test, but the testers told us that when “telephone sex club” was spelled in Roman characters, it reminded them of the name we had created. It was too close for comfort, so we dropped the name like a hot potato.

5. Test for how the name sounds

This is probably more important: People tend to remember brand names by the way they sound, not by the way they look. So, test for pronunciations. Ask native speakers of the language to pronounce the name; do not tell them how you want it pronounced. Then, ask if the way they pronounced it could be in any way negative by sounding like a negative word in their language. This was the case with the name that sounded like “anus” in the earlier example. Enough native Portuguese speakers pronounced the name in a way that made it sound like “anus”, and we decided to drop it.

6. Test for name availability

Once the name passes the language neutrality test, you must find out if you can register the name as a company in your target markets. This varies from market to market. For example, we had some difficulty trying to register StrategiCom in Malaysia. The registrar there said our name could be confused with another company in Malaysia called Strategic Communications and we had to modify our name to StrategiCom Consulting. That went through. Even if no one were using the name and you owned the dot.com domain name, you could still run into registration problems. That is one of the hazards of doing business in international markets.

IT MUST BE RELIGION NEUTRAL AS WELL

Religion is a sensitive thing. It is an explosive thing. When you are doing business in another country, there are two things you should try to avoid and they are: insulting your customers’ mothers and insulting their religion. Insulting your customers’ mothers might lose you business but insulting the religion of the land that you do business in could result in you losing your licence and getting thrown out of the country. That is why when we create new names, we test the name for religion-neutrality as well. This is an extra step Wilson added in at the end of our naming methodology because there are certain words – even made-up words – that could inadvertently mean something bad in a religion.

For religion neutrality, you have no choice but to talk to religious associations or groups. With religions that are practised in your home market as well as your target markets, the testing would be easier as you can ask the religious experts in your country to vet the names you want to use. Some religious organisations are more than happy to help you out, whereas others are more elusive. Still, you need to test for this.

In a nutshell

The last rule of naming is that it must be language-neutral. A name that sounds great in one language might mean something bad in another language. There have been many brands that have ventured into a new market with a name that meant something negative, without the company realising it. This could be a costly mistake. We recommend you test the name out first before launching it in a new market.

Name testing is a long and expensive process but it is dirt cheap compared to the potential loss in sales and the damage to your brand reputation if you get it wrong. You also need to watch out for translations – the translation of your name, as well your tagline into a foreign language. Even the best of brands have made mistakes in these two areas. However, being big companies, they weathered the negative fallout. Your brand might not survive.

The six steps involved in testing for language neutrality are:

1. Identify your key markets for the next 10 years and test in those markets;
2. Use in-house expertise if you have it;
3. Use an external party like a translation company if you do not have in-house expertise;
4. Test to see if the name looks like a bad word;
5. Test to see if the name sounds like a bad word; and
6. Test for name availability.

Finally, remember that you also need to test for religion neutrality as religion is a sensitive issue.

CASE STUDY

Crecept

Crecept Pte Ltd is a graphic design agency that was set up in 2007 to provide the full range of graphic design services to B2B companies. The services it offers include corporate identity development, collateral design, multimedia design, photography, print production, website development and related services. Being a new company, Crecept required a new name, and being a relative newcomer to the industry, it faced some tough challenges differentiating itself and finding a suitable brand name.

The Challenges

Do a search in any market, and you will find that there are many graphic design agencies around. The barriers of entry into this industry are relatively low. Hence, graphic design agencies are easy to set up. That means the market will reach saturation point very quickly. I think this industry is already saturated. That is one of the biggest challenges Crecept faces. There are too many players in this category. As such, there is downward pressure on price as some companies ruthlessly cut prices to either gain market share or defend market share. Crecept is not willing to be drawn into destructive price wars to gain market share because that is a trap that is next to impossible to get out of.

Design is also a commodity. It is not strictly, but because it is something that is very subjective, rather difficult to understand and the brand behind the design work is largely invisible, design has gradually become commoditised. With the advent of more powerful computers and design software, I am told that practically anyone – with or without formal design training – can be a designer. Whether that person can actually produce good design is another matter. All these factors have combined to commoditise this category known as “design”. Crecept will have to do a lot to overcome this perception that design is a commodity and something that anyone with an iMac computer can do well. The fact of the matter is that design is a complex discipline that needs a good balance of unbridled creativity and excellent technical knowledge.

The Branding Solutions

To differentiate itself, Crecept has decided it needs to specialise. That means it must sacrifice most business opportunities so it can dominate one or two areas. Looking at the competitive landscape, Crecept has come to realise that graphic design agencies

are generally not very focussed in terms of the services they offer and the clients they serve. A typical graphic design agency offers the whole spectrum of graphic design services such as logos, websites, brochures, flyers, banners, posters, exhibition booths, interactive media, corporate videos, etc. And they serve companies from retail, logistics, food and beverage, marine and everything in between.

Crecept can either narrow its focus, based on the type of services it offers or by the type of clients it serves. Narrowing the focus based on the type of services offered is not practical, as a typical client might need a combination of graphic design services. Although there are companies out there that just do logo design and nothing else, doing so would limit Crecept's growth potential. As such, Crecept has chosen to specialise based on the type of clients they serve.

During the segmentation exercise, Crecept decided there were broadly three types of companies: One, the B2C company – a company that sells its products and services to consumers like you and me. B2C companies are highly visible. They need to look good to the world. That is one of the reasons why so many graphic design agencies court them. Two, B2B companies. B2B companies are companies that supply products or services to another company. They are less visible to the general public but graphic design is equally, if not more, important to them as the price is significantly higher. Good graphic design can help to make these companies look good to their clients.

Finally, there are hybrid companies. These are companies with both a B2C and B2B component. A hybrid company typically started out as either a B2C or B2B company but over time evolved into a hybrid. For instance, a company that builds water treatment plants (B2B) might eventually decide to make water filters to sell to households (B2C) while keeping the water treatment plant business. That turns it into a hybrid (B2B2C) company. A company that starts out brewing beer to sell to consumers (B2C) might find that it has enough capacity in its breweries to brew beer for other companies (B2B). So, that beer company becomes a hybrid (B2B2C).

Crecept will focus on the B2B sector as its graphic designers and managers have more experience working with B2B companies such as those in the oil and gas, power generation, furniture manufacturing, shipbuilding, marine engine, technology, construction and electronics industries. The B2B sector is more difficult to understand and design for, which makes it perfect as far as Crecept is concerned. By specialising in graphic design for B2B companies, Crecept differentiates itself from its competitors.

The tagline Crecept has chosen to communicate its differentiating idea is: “The B2B Graphic Design Specialist”.

The Naming Solution

Crecept is a simple name that meets all the 10 Rules Of Naming. The name is also able to provide a good sense of the type of services it offers. When I saw the name for the first time, the image conjured up was, “This must be a design company.” That is important, because companies are often forced to manufacture names to come up with a unique one with an available dot.com. That made-up name should still convey some meaning. It should still project a sense of what the company does. I think Crecept has managed to do all this.

How did the name come about? It began with many key words important in the design industry. The words were then systematically combined to create sets of words that represented the most important attributes. One of the sets included the words “creative” and “conceptualisation”. These are important keywords because a graphic design agency should be highly creative in the way it conceptualises design and the way it executes these design concepts. However, Creative Conceptualisation is too long a name so it was contracted to Creative Concepts – still too long. The company wanted a two-syllable name that was unique and for which the dot.com was available. It wanted the dot.com because most of its clients are international companies; Crecept has to appear international too.

The name was further contracted to Crecept. An exhaustive search was made on Google, Yahoo!, ACRA (the business registrar of Singapore where Crecept is headquartered), the United States Patent and Trademark Office (USPTO), OHIM (the Office of Harmonisation for the Internal Market), which is the European Union’s trademark registration body, and IPOS (the Intellectual Property Office of Singapore). Once all the searches were cleared, the decision was taken to name this B2B graphic design specialist, Crecept.

CHAPTER 14

Twelve Naming Mistakes To Avoid

NOW that you know the 10 factors that make for a great brand name, there are a number of naming mistakes you need to be aware of to increase your chances of coming up with the right name. It is said that being forewarned is being forearmed, and it is better to learn from the mistakes of others than to learn your lessons by getting burnt. So, I hope you will pay close attention to the contents of this critical chapter.

MISTAKE #1: UNDERESTIMATING THE AMOUNT OF TIME NEEDED FOR NAMING

A company that fails to make preparations is a company that is preparing to fail. No company in the world would ever launch a new product without copious amounts of market research and a systematic plan in place for product development, concept development, packaging design, advertising, public relations, promotions, training of the sales force, setting up of distribution networks, and so on. But one of the most important aspects of branding – the name – is usually left to the end.

Many companies do not have a system in place for name creation. This results in a haphazard naming process. That is why the product names within any company's portfolio of products often seem to have no relation to each other or to the corporate brand. You will also find, very often, that there is no strategic reason for the names chosen.

On the other extreme, you will find lazy companies that just use line-extended names on all its new products. A line-extended name is not a proper naming strategy, no matter how strong the brand name. For instance, Xerox is a great brand name but only for photocopiers. When Xerox used its name on computers, it failed. Are Xerox computers inferior? I do not think so. For all you know, Xerox computers might have been the best in the market. But who would want to buy a Xerox computer, no matter how cheap?

Do not underestimate the amount of time needed to create a proper name, and do not under-invest in the naming process. The name is probably the first thing your potential customers see. It makes the first contact with a prospective client. If the name is not good, people might think the product is likewise. Perception is reality in the battle of branding. And with a new product, you get one chance to make a good and lasting impression. Waste that opportunity with a name that is not properly thought out and researched, and you will not get a second chance.

For those of you with kids: Have you tabulated the amount of time you and your spouse spent picking a name? Probably too much time. And we are talking about picking a name from the thousands of perfectly good baby names that are already out there. It is a hard process, is it not? You want your baby to have a good name that will give him or her a fighting chance in life. You know, instinctively, as a parent, that if you saddle your baby with a lousy name, he or she will have a hard time in life.

I had a primary school mate who had a most unfortunate name. This guy's father was a big James Bond fan so he named his son James Bond, followed by the family name. Since the guy was Indian, his name was James Bond S/O [family name]. For those unfamiliar with Indian names, "S/O" stands for "Son Of". This James Bond was a very naughty boy. One day, he was caught by the discipline master and what followed was hilarious.

Discipline Master: What's your name, boy?

James Bond: James Bond.

Discipline Master: Do not play the fool with me, boy! You are in enough trouble already! What is your name?

James Bond: James Bond, sir!

Discipline Master: What is this? Are you trying to be funny with me? For the last time, what is your name?

James Bond: I already told you. It is James Bond! That is my name!

By this time, the discipline master had lost his cool. He grabbed James' ear and dragged him into the headmaster's office. The father was called. Imagine the discipline master's shock and embarrassment when the father showed up with the boy's birth certificate to prove his son's name was, indeed, James Bond!

Why is it that people do not spend the same amount of time looking for the right name for their product or company? When it comes to products and companies, you need to spend even more time. It is okay for more than one person to have the name James Wong or Amy Smith, but a brand's name has to be unique. Finding a unique name takes time. Invest that time. You have already invested so much time and money creating that innovative new product or setting up that company that is going to take the world by storm. Why waste the effort by under-investing in the name?

MISTAKE #2: FAILING TO DEFINE THE PURPOSE OF THE NAME

Every name has a purpose. What is yours? Every brand-building effort requires two components: strategy and execution. Likewise, the same for a name. Before you create a name, you must have a strategy, and defining the purpose of the name is part of the strategic process. If you fail to define the purpose of the name, how are you going to know if a name is the right one to use? That is why, at the start of every naming project, we sit down with our clients to ask what they want to use the name for. We set the parameters of the naming project right from the outset.

As part of the process of defining the purpose of the name, ask yourself these questions:

- **Why do we need that name?** Is it because we have a new product or service to launch? Is it because the nature of our business has changed so much and we want a new name to reflect that? Is it because the company was involved in a scandal – as in the case of Arthur Andersen, Enron, WorldCom – and the name is tainted?
- **Where will the name be used?** Will it be used only in the home market? Regional markets? Global markets? Will it be used on the final product or just on a component of the final product? Will it feature prominently on the company website, brochures, advertisements, etc. – assuming it is a product name?
- **Who are the users of the name?** Who are the people you will be communicating to? Distributors? Your own sales people? The media? Customers? These are the “users” of the name.
- **What kind of image, emotion or idea do we want to create?** This will determine the kind of name you create. Names can be quite emotive. Even

made-up names can evoke certain types of emotions and associations in the intended target audience. If you want to shock your target audience, your name will be of a certain type. If you want to evoke a high-class image, a different type of name will be needed.

Define the purpose of the name. Remember, a problem correctly defined is a problem half-solved. The same with the name. Once you have correctly defined the purpose of the name, half the problem is solved. Do not underestimate the importance of this task. There are certain things you can take shortcuts on and yet not compromise on the quality of the output. This is not one of those things.

You will find that if you do not define the purpose of the name you are creating, you will either struggle to come up with an inspired name or, more likely, you will stray and come up with all kinds of names that will leave you feeling lost and frustrated. When that happens, chances of you just throwing in the towel and settling for an uninspired name will be high. Do not let that happen. Plan the naming project properly by first defining the purpose of the name. It is a simple step that will save you a lot of heartache.

MISTAKE #3: HANGING ONTO A NAME THAT HAS NO FUTURE

Donald Trump once told a contestant on the show *The Apprentice*, “If you hang around losers, you become one.” He was actually quite impressed with that contestant but that contestant soon encountered a string of losing challenges. Trump’s diagnosis was that he had been losing because his team mates were losers. Well, The Donald is right on the money. Hang around with losers and you end up a loser. That is why if you are in a dead-end relationship with someone, the best thing to do is to end the relationship. This is a lesson many otherwise smart people do not seem to learn.

It is no different with a brand name. If you have a brand name that has no future – even if that brand name happens to be your grandfather’s or father’s – drop it. A lot of companies hang onto deadbeat names for too long. It affects their businesses and their futures. Categories come and categories go. When a category dies, the brand that pioneered it and is most closely linked to it dies as well. Starbucks pioneered the gourmet coffee category. If the gourmet coffee category should die someday, Starbucks will die along with it. A brand that is so closely linked to a category cannot survive the death of the category.

If *gourmet coffee* as a category dies, could Starbucks make the jump into a new and growing one – for example, *exotic tea*, assuming it were a growing category? Yes and no. Starbucks as a company can make that switch if it moves fast enough and gets in early. But Starbucks as a brand can't. Starbucks will have to enter that new category with a different brand. Starbucks owns a tea brand called Tazo. Tazo could be the brand to take on the tea category. It could even be spun off as a separate company to tackle the new market. Whatever the case, Starbucks could not hang onto its original name for the new category.

Xerox recently rebranded itself and updated its logo to a more modern-looking one. What's the difference? Xerox still equals photocopiers, but Xerox is trying to move into a new category it has dubbed *document management*. This is a smart move, because document management is a big headache for small companies, let alone giant multinationals. But I would have advised Xerox to use a different name. The name Xerox is too closely tied to photocopiers. *Document management* is a different category that needs a different name. Xerox should learn from its past. When the Haloid Paper Company launched the world's first automatic plain paper photocopier in 1959, it smartly decided not to use the Haloid name, which stood for paper. Xerox was born. When Xerox launched its own line of computers, it used the Xerox name and that was a huge and expensive failure. Haloid equals paper. Xerox equals photocopiers. Therefore, document management should be handled under a new brand with a new name.

Kodak is another company that clung onto a name with no future. When Kodak ventured into the digital camera business, it should have dropped the Kodak name but it did not. Now that it is making a multi-billion-dollar bet on a new invention – a fantastic new printer with ink that can last 100 years instead of the usual 15 – it should be using any other name but Kodak. What name has it decided to use? Kodak. When you are going up against a giant in the printer industry like HP, a name like Kodak can be a handicap.

Even a name that has served you well over the years might need to be retired at some point if it is no longer suitable. Most companies refuse to do so because they are too attached to the name. They also think it is too risky to start over with a new name. The risk is certainly there, but ask yourself this: Would you buy a Kodak digital camera or a Starbucks gourmet tea or anything from Xerox that does not look like a photocopier? Probably not. So, if your brand

name is a strong one that is closely associated with a product or category, why would your customers buy something else – something totally different – from you if you sold it under that same brand? If a name has no future, do the right thing by changing it. Otherwise, your company will go the way of the dodo bird – which is extinct, by the way.

MISTAKE #4: USING YOUR OWN NAME

Never use your own name on the brand because it will be limiting. Yes, there have been successful brands that have been based on the founder's or founders' name such as Hewlett-Packard, Johnson & Johnson, Johnnie Walker, Honda and Ernst & Young, but these are old companies that had first mover advantage. The problem with using your own name is that there could be millions of people with the same first or last name. That name will also be quite difficult to trademark. Since you are going to spend time and money to build up your brand, find a name that can be trademarked or you will have a hard time protecting yourself from copycats. I am not saying your family name will be impossible to trademark but it will be more difficult. Even if you could trademark it in one country, you might not be able to do the same in your other key markets.

There is the additional problem of rights to the name. What happens when you put your name on the company and one day – after the company grows big – you sell it to someone else or you get forced out of the company by the other shareholders? What happens to the name? It is your name, sure, but if you sell the company, you no longer have rights to its name. The watchmaker Franck Muller was a company that made oversized numerals on watch faces popular. It became the brand's trademark. Some years ago, the founder, Franck Muller, sold his shares in the company and got out. He then tried to sue the company to stop it from using his name because he was not happy about the direction the company was taking under the new management. Guess who won the lawsuit? The company called Franck Muller or the individual named Franck Muller? The company, of course.

I once asked a client why he did not use his name on the company. He said that if he did, the company would be less valuable because the value would always be attached to him, and he was not going to be around forever. This client had the right idea. Find a unique name that is not tied to a person and build a strong brand around that name. Why then would anyone want to have

his or her name on the company? Pride. And pride always comes before the fall of a person or a company.

Using your own name is also not a good thing. It will probably violate Rule No. 5 of naming, which calls for the name to be a unique one. How often do you find a person with a completely unique name? If you do find a person with a unique name, chances are, the name will be a bad one – like Ralph Lifshitz or Sum Ting Wong. Furthermore, there is no stopping another person from copying your name for himself or herself or for the company, even if your name were unique to you. Therefore, try to avoid using your own name for the company unless your name has an alternate meaning that is entirely suitable for the brand. For example, if your name were James Dash and your company sold running shoes, it would be acceptable to use your surname as the company name. Dash and running shoes – that would be a good combination.

MISTAKE #5: USING A CATEGORY NAME AS THE BRAND NAME

Many companies also make the mistake of using the category name as the brand name. A category name is not a proper brand name. One of the biggest naming mistakes we have seen locally is with Singapore's Budget Terminal. "Budget Terminal" is not a proper brand name. Many people who are in charge of branding projects do not realise this, but for a brand to be successful, it needs two names, not one.

First, you need a brand name. That is the name of your product or service. The brand name is one of the most critical decisions a company needs to make. In the long run, what separates you from your competitors is nothing more than the name of your brand. In the short run, what usually builds a brand is the ownership of a unique idea or concept in the minds of customers. In the long run, the unique idea that gave you the big advantage at the start will disappear, because your competitors will copy it.

Second, you need a category name. A brand name, no matter how fantastic, is useless unless it is linked to a category. A category name needs to be the opposite of a brand name. It needs to be made up of generic everyday words, and simple. Nintendo is *portable computer games* – a category name that is easily understood. There are computer games and there are *portable* computer games.

So, what is wrong with Budget Terminal? "Budget Terminal" is the category name, not the brand name. It describes what the category is – an airport terminal for budget airlines! You can't use the category name as your brand name!

Think about it. If Sensodyne had been called by its category name (*sensitive teeth toothpaste*) do you think it would be so successful? We seriously doubt it. If Intel had used its category name as the brand name, it might have had a hard time getting people to take the *central processing unit* brand seriously. If Porsche had used its category name (*German sports car*) as the brand name, we think the rich folks of the world would have made a beeline for Ferrari, Lamborghini or Aston Martin showrooms instead. If Nike had used its category name (*sports shoes*) as the brand name, its competitors would have jumped for joy. If McDonald's had used its category name (*fast food*) as its brand name, Burger King, Wendy's, White Castle and In-n-Out Burger could have overtaken it.

A category name describes the category, and a brand name identifies the brand. You simply do not switch the two around. What should the name for the budget terminal be? Terminal 3.

You might be thinking, "What? All that branding knowledge and that is the best you can come up with?" But why not? We already have Terminal 1 and Terminal 2, which are very well-established. It makes sense to call the budget terminal – which happens to be the third terminal to open at Changi Airport – Terminal 3.

Terminal 1 is linked to a category called *all the other international airlines*.

Terminal 2 used to be linked to a category called *the Singapore Airlines terminal*.

Terminal 3 should be linked to a category called *budget terminal*.

People also do not like to be reminded that they are cheapskates. It is a fact of life that people fly budget airlines to save a few bucks. You do not have to remind them every time their plane taxis into Changi Airport that they have flown on a lower-class airline. That is exactly what the airport authorities are doing, by calling the new terminal the "Budget Terminal" and putting up a huge sign that proudly proclaims this is the poor man's terminal. In my opinion, that is lousy branding strategy. And it is poor customer relations.

Southwest Airlines was the first budget airline in the world and it continues to be wildly successful. But according to people who have flown Southwest, they do not feel like they have short-changed themselves. Why? Because Southwest tries its best not to keep reminding you that you are a cheapskate.

MISTAKE #6: FOLLOWING YOUR INDUSTRY'S NAMING CONVENTIONS

Branding is all about differentiation. If you are not differentiated, you have to sell cheap. What I find strange is that many companies are afraid of being different because that is just not the way things are done in their industry. Ever wondered why so many insurance companies have names that start with 'A'? Allstate, Aviva, Allianz, AIA, AIG, AXA and many more. That is the way it is done in the business. When I spoke at the first-ever Asian Insurance Branding Conference in 2006, I met a lot of executives who told me insurance is a business in which it is near-impossible to differentiate the players. As such, it was important to have a name starting with 'A', which would come first in the directory. How many people actually look for an insurance company in the Yellow Pages? I certainly do not. So, it does not matter if your name starts with 'A' or not!

Having a name that starts with 'A' would be counter-productive. The 'A' list would be so crowded with the names of competitors that you would get lost. What then? Change the name to one that starts with the numeral '1'? If everybody were going after 'A' names, I would recommend that you go down the path less travelled: You would be better off using a name that started with 'Z'. Would you trust your competitors to run your company? Of course not. Why, then, would you let your competitors dictate how you name your company? When you follow your industry's naming conventions, you are making a naming mistake because that would make it hard for your brand to stand out.

Do not be afraid to break with your industry's naming conventions. Just because everybody is doing it does not mean it is right. You know the saying, "A million people can't be wrong"? Well, that is not true. Right is right. Wrong is wrong. Just because a million people say it is right does not mean it is right. The whole world used to think the sun revolved around the Earth. The whole world used to think nobody could run the four-minute mile. These days, if you were an athlete specialising in the 1,500 metre event and could not run a four-minute mile, you would be a nobody. The whole world used to think the Earth was flat. The whole world used to think a ship made of steel was too heavy to float. These days, steel is the choice material for building ships and they float just fine, thank you very much. Do not be afraid to be different. Do not be afraid to follow your own path. But a word of caution: Be different-smart not different-stupid.

I have a client – an engineering company – who says the products in its industry are usually given very technical names made up of alphanumeric

characters such as IEEE90210BEV2R. I told the client that such names do not stand out because they are all the same. All the products in the industry being named that way is the perfect reason the client's product should be named differently. The 10 Rules Of Naming would help to differentiate its product and give it a chance to stand out. And they have.

MISTAKE #7: HOLDING A NAMING CONTEST

One of my clients suggested a naming contest for its new product. I froze. While it is okay to let your employees choose between two or three names that have been created by naming professionals using the 10 Rules Of Naming, it is not okay to have naming contests to create a brand name. While it is possible that employees could come up with great names, it is unlikely. Naming has become such a complex discipline because of the number of companies in the market today. It is best left to professionals.

The Budget Terminal was created through a naming contest. That was a disaster. Malaysia's first national car was created through a nationwide naming contest in 1985. You might have heard of the Proton Saga, which was basically a re-badged 1979 Mitsubishi Lancer. That car was finally put to rest in 2008. What a saga! This was one car that truly lived up to its name. Was it a good name? Nope. Although the name was chosen by the judging committee based on it being the name of a very tough red seed called the saga seed, it was not a good name. More people know the word "saga" for its bad connotations. A "saga" is a negative event – such as a lawsuit or an argument – that has been going on for a long time. Why would you want to name a car after something like that?

What is the reason companies hold naming contests? One I have often been told of is that it is an opportunity to build a stronger bond between employees and the company. If that is the true intention, it is an honourable one, but that is not the best way to bond with your employees. By getting them to participate in a naming contest, you are actually stressing them out. Naming is a stressful exercise! You are also creating potential unhappiness. Whichever name you pick, you usually only make one person happy. The rest will be unhappy. Everyone, after all, will think his or her name is the best. It would be better to let professionals create and test the names for you. You can get your employees' feedback on the shortlisted names. That would be a much better way to bond. You can let your employees choose between two and three names. Usually,

in a naming project, we end up with two names that are equally good. If the management is split on which to use, we say it would be a great idea to let the employees decide. But you must explain very clearly the rationale behind each of the names so that they can make an informed decision.

Some companies hold naming contests because they think it is a quick, easy and cheap way to create names. Well, it is a quick, easy and cheap way to end up with a disastrous name, because a name that has been created must be tested against the 10 Rules Of Naming to ensure you end up with a great name. Failing which, you could end up with a bad name that will do damage to your brand. If that happens, you will end up spending a lot of money fixing the bad name.

A bad name may not be obvious at a glance. On the surface, the name Legend Computer might not seem like a bad name – not in China anyway. But Legend is a word that is too generic to be trademarked in many countries. Legend had trouble registering the name Legend Computer as a company, and had to spend an amount running into seven figures to hire a fancy brand consulting firm to change the name to Lenovo. We did not create the name, by the way. If we had, we would not have recommended “Lenovo”. “Novo” sounds like a Spanish or Italian word. A technology company would not want a name that sounds Spanish because Spanish-speaking countries are not known for technology brands. When the Lenovo name finally replaced IBM on laptops, we wanted to stop buying ThinkPad laptops for our company. Somehow, we perceived the Lenovo ThinkPad laptops to be poorly finished compared to the IBM ThinkPad laptops. I am sure this is not true. It was probably all in the mind. But how many people are like us, thinking the Lenovo is not as good as the IBM? Quite a lot, I think.

MISTAKE #8: NOT TAKING YOUR CUSTOMERS INTO ACCOUNT

When you create products or services, who do you create it for? Yourself or your customers? A top management guru once said companies should welcome customers – even those who complain – because the customer is the reason companies have a reason to exist. The problem is, insiders are too close to a new product and its gestation to be open-minded. It would be good to take a step back and let more objective minds take a crack at the name.

My previous book was supposed to be called *Differentiate Or Sell Cheap*. That was what I wanted. It was appropriate. Those are the two strategies any

business can use: If they are not differentiated, they have to sell cheap. But my publisher said the name was too long and not very inspiring, which was the same comment they had for my first book, *Transforming Your Business Into A Brand*. With the first book – well, blame it on my inexperience, if you will – we went with the original title because that was what I wanted. It was a book about the rules of branding that would transform a company from just a business into a powerful brand. But the title was – indeed – too long, even though it was entirely appropriate. For the second book, I decided to take the publisher's comments more seriously. After going through about 30 names, I suggested using *Killer Differentiators*, which was, well, killer, and entirely appropriate because that was what the book was all about: the 13 differentiation strategies to help a brand kill its competitors. People who bought the book have said that one of the things that attracted them was the name. The other one was the really attractive cover Marshall Cavendish came up with.

When it comes to the creation of a name, you need to consider not just what you like but what will attract your customers. A good name takes the customer into account. A good name speaks the customers' language. It will motivate your customers to buy from you. You are like that when you buy something for yourself: You are attracted to a name that speaks to you. Your customers are no different. Take them into account and create a name that would appeal to them. After all, your business exists so that you can sell things to the customers.

Does this mean you have to do a focus group to get your customers' feedback on a name? There are pros and cons to that. You could do a focus group to get some feedback but you should not do it yourself. Get an outsider to do it; otherwise, you will not get a true picture. You must also be careful when doing such focus groups. You should not reveal too much because you do not want word to get out before you launch the product. You do not want to tip off your competitors on what you are planning to do.

MISTAKE #9: CHOOSING TECHNICAL JARGON OVER SIMPLICITY

This is a mistake that has afflicted many companies – especially those selling complex products like computers, servers, software, industrial equipment, etc. Do not use names that smack of technical jargon. Instead of making your product look high-tech, a name that smacks of techno-babble is one that looks completely nerdy. Who is usually at fault? Not the engineers and programmers. We found out that engineers and programmers learnt a long time ago that if

they spoke like geeks, they would not get dates on a Saturday night. Many of them have learnt to speak plainly and to communicate in layman's language.

It is the marketing people who are usually at fault. I have come across products that were given nicknames during development by the engineering team that would have made great brand names with a few tweaks, but when launched, the names on those same products were uninspired and contrived. Attribute that to the marketing team. Just because a product is over-engineered and highly sophisticated does not mean the name has to be complicated. The world's first portable e-mail device is superbly engineered and extremely sophisticated. The name? BlackBerry. Nice. The world's first supercomputer is mind-bogglingly complicated but has a simple, almost low-tech name: Cray. The world's first handheld computer? Palm. The world's most successful gaming computer? Alienware. The world's first 64-bit gaming console is so powerful that the United States tried to persuade Sony not to sell it to certain countries because its chip can be used to make missile guidance systems. The name? PlayStation. Brilliant.

Many people think a technical sounding name would create a very high-tech impression. Very often, the reverse is true. What kind of companies use big-sounding names? Big companies? No, it is usually the small companies that use big names. Likewise, if you have a bombastic, very technical sounding name, people might think your product is either too complicated to bother with or that you are just egoistic. Some people might even think that if you are too dumb to find a good name, your product can't be any good.

If you do not believe me, keep looking at some of the world's most successful complicated products. More often than not, you will find names that are not made up of technical jargon. Rolls-Royce jet engines. Bell helicopters. Gulfstream business jets. Intel computer chips. Asus motherboards. Seagate or Quantum hard disk drives. Nokia mobile phones. Hewlett-Packard printers. Caterpillar construction equipment. John Deere farming equipment. The Stealth bomber. The list goes on.

MISTAKE #10: FORGETTING THAT PEOPLE REMEMBER NAMES BY THE SOUND

There are too many clever names out there that do not work. If you have a pet store that specialises in cats and you call it CATZ, the name may look interesting visually. But people do not remember names by the way they look.

They remember them more by the way they sound. If I told you I was from the CATZ PET STORE you would think of it as CATS PET STORE or CAT'S PET STORE. The pronunciation of CATZ or DOGZ or BRANDZ or NAILZ is no different from the pronunciation of “cats”, “dogs”, “brands” and “nails”. Do not try to be too clever with your name. The most important thing to remember is the sound of the name, not the way it is spelled.

If you were running an advertising agency or a design house and you tried to be creative by coming up with names like *Creatif Agenzy* or *D-Sign House*, people would remember it as “Creative Agency” and “Design House”. That would be bad, because both are generic names. Worse still, both are category names. One of my friends messaged me while I was working on this book to tell me that he came across an interior design firm called *D Compose*. The company was probably trying to combine two words – “design” and “compose”, which I think were supposed to evoke images of the firm *composing* a great *design* for its customers the way Beethoven composed great music. I do not know the intention but what would you think if you saw a name like *D Compose*? The image that came to my mind was one of a rotting corpse. Hardly the thing you would want in your living room.

Because people remember names by the way they sound, one of the most important things you have to do is make sure the name is phonetically correct: The way the name is spelled should be the way it is supposed to be pronounced. I am not sure if you watched the TV series *Chuck*, which was shown on the AXN cable channel. It was one of my favourite programmes (I am a TV addict). The female star was an Australian actress of Russian descent, but she had a last name that was very difficult to pronounce because of the way it was spelled. Unlike many Hollywood celebrities, she did not change her name but she smartly changed the way it was spelled so that it would be phonetically correct, from “Strzechowski” to “Strahovski”. Much easier to pronounce and kind of exotic.

My colleagues and I met a certain Dr Low who runs an innovative company that created a web-based platform that can be used to manage a company's healthcare programme online. He asked how we would pronounce his name and we said, “Low”. He said it was supposed to be “Lau”. His colleague then said to him, “Is that so? You should have changed the spelling to L-A-U then.” Being phonetically correct is an important aspect in naming; you should pay attention to it.

MISTAKE #11: MAKING THE LOGO HARD TO READ

One of the biggest mistakes companies make is creating a logo that is too intricate or fussy, making it hard to read at a glance. The best logos are those with clean typefaces. You do not need to have a graphic element to go with the logo but if you do, make sure the word is larger than the graphic. Also make sure the word is written horizontally not vertically. Chinese words can be written vertically but not English words. English words are read left to right, and your eyes are located in a left-right formation not top-bottom.

If you want to have a graphic in the logo, make sure the graphic is a simple one that can represent the name – like Apple’s logo, which is a partially eaten apple. Nicely done. As a rule of thumb, you should make sure the graphic in your logo does not overshadow the word. There are many companies with really complicated graphics in their logos. I have asked why and have been told the reason has to do with *feng shui* – the art of Chinese geomancy. No offence to *feng shui* believers but Chinese geomancy is not the best way to dictate the design of a logo. A logo is about design, and design should be governed by the rules of design.

I do not believe in *feng shui* because it does not work. As the Gurmit Singh character Phua Chu Kang would say, “Use your brains! Use your brains!” I would say use your common sense: If *feng shui* makes your brand name hard to read, it does not make good business sense, does it? Unless all your competitors also have *feng shui*-inspired logos that make their names even harder to read, this would not be a good strategy. It is incredible how superstitious many Chinese business-owners are. If I showed you two logos and one was very hard to read – thanks to some *feng shui* master’s advice – would you buy from that company? Could a *feng shui*-inspired logo that makes the name hard to read somehow make you prefer that brand? Think about how ridiculous that sounds. You would not be easily fooled into buying a brand because it had *feng shui* elements; what makes you think it would work for your customers?

I once met with a senior manager of a company that was interested in doing branding. I turned that company down because I thought we would not be able to add much value as the bosses were big believers in *feng shui*. They do not make any decisions without consulting with a *feng shui* master. I told this senior manager that since any branding strategy we recommended would probably be run by some *feng shui* master, it would make no sense for us to be involved.

Not to sound rude, but geomancy experts know as much about branding as brand consultants know about geomancy – which is to say, not a whole lot. This senior manager was hoping against hope that we would convince the bosses to, at least, do away with the challenging-looking logo they were considering. The logo featured a rock with Chinese and English words on it. The rock was supposed to represent a solid company, and the colour red for the rock represented prosperity. That did not make sense from a branding perspective. The company was trying to be seen as modern and the rock did not give a modern feel. Furthermore, in the world of business, red is the universal colour used to represent losses on financial statements.

Anyway, to each his own. If you want to create a complicated logo based on *feng shui*, go ahead. It is your logo, your brand, your business and your neck at risk, so you have the right to decide what is best. I have learnt that it is very difficult to convince hard core *feng shui* fans that a complicated logo – whether inspired by *feng shui* or a bad design house – will simply not work.

MISTAKE #12: LEAVING THE NAME UNPROTECTED

In the long run, your brand is nothing more than the name, so it is your most important asset. As with any valuable asset, it needs to be protected. You need to buy insurance for the name and this kind of insurance comes in the form of trademark registration. Trademark registration prevents other companies from using your name, or even a name that is too similar to yours. If they infringe on your name, you can take legal action to compel them to stop and, in some cases, compensate you.

How many countries should you protect the name in? Unless you have too much money and it is burning a hole in your pocket, you can't possibly register that name in every single country in the world. But you should protect the name in the key markets you are most likely to do business in over the next 10 years. Trademark registration can be an expensive affair, so pick your markets carefully.

I once met a famous Singapore company that failed to register its trademark in Indonesia until it was ready to expand into Indonesia. To its surprise, there was an Indonesian copycat using its name there and for the same kind of business. So, the Singapore company sued the Indonesian imitator. It lost the lawsuit because too much time had passed between the copycat using

its name and the Singapore company's filing of the lawsuit. To add insult to injury, the copycat counter-sued the Singapore company for infringing on the copycat's trademark and won! Ridiculous, yes, but it highlights the need for you to protect your name. This is something many of us miss out on because we are too busy with our daily work.

In a nutshell

There are 12 common naming mistakes that companies make. It pays to learn from other people's mistakes so that you can be spared the pain and the expense of making them yourself. In a nutshell, you need to watch out for:

1. Underestimating the amount of time needed for a naming exercise;
2. Failing to define the purpose of the name;
3. Hanging onto a name that has no future;
4. Using your own name as the brand name;
5. Using the category name as the brand name;
6. Following your industry's naming conventions;
7. Holding a naming contest to find the name;
8. Not taking your customers into account;
9. Choosing technical jargon over simplicity;
10. Forgetting that people remember names by the way they sound;
11. Making the logo hard to read;
12. Failing to protect the name.

Besides understanding the 10 Rules Of Naming, you must be aware of these 12 naming mistakes if you want to have an 80 per cent chance of being able to create a great brand name. Why only 80 per cent? In every naming project – as with every great invention that we have ever witnessed – there is a part that will depend on providence, as well as creativity. Even professionals have to admit that we run into brick walls, too, with naming projects because the creative cells of our brains refuse to wake up. But 80 per cent is better than firing wild shots into the dark, would you not agree?

CHAPTER 15

Tying It All Together

NOW that you have come to the end of this book, let's do a quick recap of the salient points on branding we have discussed.

A strong brand is important because the quality gap has narrowed so much that even the worst brand in any category will usually have quality that is acceptable. When the quality gap has narrowed to the point that quality is something your customers take for granted, the brand becomes more important. When quality is no longer an issue, people base their buying decisions on the brand. We have shown that brands perceived to be stronger tend to perform better financially over time.

A brand is simply an idea you own in the minds of your customers. A brand does not exist in the real world. It exists in the mind. If you do not own an idea in the minds of your customers, you do not have a brand. At best, you have a very weak brand. Weak brands will have to compensate by having a low price. While it is still possible to build a successful business – and even a strong brand – based on a low price, you will need to be sure you can sustain that price advantage in the long run. However, in this day and age of hypercompetition, you can never be sure when some competitor will show up with a lower price.

Since a brand is simply an idea that exists in the mind, you need to burn your brand into the minds of your customers. This is easier to do if you have a well-defined idea and a great name to link to that idea. A great brand name is one that meets the 10 Rules Of Naming, which are: easy to pronounce; easy to remember; works in English; short (between one to four syllables, ideally two); unique; does not use generic words; does not use acronyms; has two names – a brand name and a category name; has a dot.com suffix for the domain name; and is language and religion neutral. Once you have created a name that abides by these 10 rules, you have to link that name to a brand idea. That brand idea is what differentiates your brand from your competitors.

That well-defined brand idea will come from your differentiation strategy. The process of branding is the process of differentiation. It was invented 4,000 years ago to differentiate cows, and 4,000 years later, it is still around to differentiate “cows” – except that the “cows” we are now talking about are brands that represent companies, products, services, nations and even people. You can use the 13 differentiation strategies discussed in my previous book, *Killer Differentiators*. Once you have found your differentiation strategy, you need to dramatise it and capture its essence in a unique and eye-catching tagline that says everything about your brand in a few words.

The tagline is an important link in the brand building process. It ties your brand name to your brand idea (your differentiation strategy). Do not throw away all the good work you have done by using a meaningless tagline. A brand is not a brand until it is famous, and to be famous you need to communicate clearly and consistently at all customer touch points; the tagline is an important part of your communication. These days, you do not have more than a few seconds to make an impression so you must have a great brand name and a great tagline that communicates the brand at a glance.

Companies that are already big and well-established can get away with meaningless taglines, but you are probably at the stage where you are still building the brand. Do not shoot yourself in both feet by messing up the tagline. Nokia’s tagline is ‘Connecting People’. Is that a good tagline? We do not think so because if you took away the Nokia name, that tagline could be used by any of its competitors. After all, Nokia sells mobile phones – as do its competitors. If Nokia is not “connecting people”, who is it connecting? The last we checked, there weren’t any reports of aliens or animals using Nokia to call their friends and family members. A better tagline would be “The World’s No. 1 Mobile Phone”. Not sexy but nobody else can use it except Nokia. But Nokia gets away with its tagline since it is big.

DBS Bank’s tagline is “Living, Breathing Asia”. Is that a good tagline? In my opinion, it is not. You can take away the DBS name and substitute it with UOB, OCBC, Maybank, CIMB, HSBC or any other Asian bank and it would still work. A better tagline would be “Singapore’s No. 1 Bank” because there can only be one and that is DBS Bank. Singapore is one of the top financial centres in the world along with New York, London and Tokyo, and being the No. 1 bank in Singapore says a lot about DBS Bank. But DBS is big. It can get away with such a tagline.

What about Toyota's "Moving Forward" tagline? Most cars spend most of their time moving forward anyway so that is kind of redundant. That tagline would work well only if Toyota's competitors made cars that were very difficult to drive in a forward direction. Nike's "Just Do It" is also not great although it is catchy. Nike spends hundreds of millions in advertising every year and has made that tagline famous. The tagline did not make Nike famous. What made Nike famous was the fact that it is the brand preferred by more world-class athletes than any other brand. So, a better tagline would be "What The World's Best Athletes Wear".

Oral-B has a great tagline. It is not terribly sexy or creative but it works: "The Brand More Dentists Use Themselves Worldwide". If it is good enough for dentists to use, it must be a great brand. When FedEx first started, it had a great tagline that helped link the name to the brand idea, which was *overnight*: "When It Absolutely, Positively Has To Be There Overnight". BMW had a great tagline for several decades: "The Ultimate Driving Machine". It was probably the best tagline ever created for a car brand. Running close was Mercedes-Benz's former tagline: "Engineered Like No Other Car In The World". The BMW one was rated higher by me because BMW used it for much longer and in a more consistent fashion. Coca-Cola used to have a great tagline: "The Real Thing". Barilla has a brilliant tagline: "Italy's No. 1 Pasta".

You also need to watch out for some of the common naming mistakes: underestimating the amount of time needed for a naming exercise; failing to define the purpose of the name; hanging onto a name that has no future; using your own name as the brand name; using the category name as the brand name; following your industry's naming conventions; holding a naming contest to find the name; not taking your customers into account; choosing technical jargon over simplicity; forgetting that people remember names by the way they sound; making the logo hard to read; and failing to protect the name.

Lastly, if you remember nothing else from this book, remember this: Whatever brilliant stuff you can do, your competitors can find ways to do it better and cheaper, but no matter what they copy from you, they can't copy your brand, and your brand is represented by its name. Your brand is nothing more than a name in the long run. Make sure you get a great brand name. If you do not, that is half the battle lost. Although having a great brand name is no guarantee of success, it will get you off to a good start. At the very least, a great

brand name *will not* make things any more difficult for you. Business is tough enough without having to deal with a bad brand name. There are many aspects of business you simply cannot control but your brand name is something you can, so make it a great one!

