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Why Names Matter

By Julie Cottineau

What's more important for a tech company than naming? Not much.

Company A is two weeks away from filing an IPO when it discovers that it has the rights to its domain name as an URL but can't trademark it. The IPO is put on hold as the lawyers begin negotiating furiously with the owner of the trademark name. He starts the bargaining at a quarter of a million dollars.

Company B finds the perfect domain name for its new e-commerce site, but ends up having to pay \$3 million for the right to use it.

Company C finds that \$10 million worth of television advertising goes largely down the drain because consumers confuse it with every other e-retailer in its segment that uses "e" or ".com" in its names.

Company D discovers that customers don't connect its many software products with the corporate brand, interfering with its ongoing positioning with the investment community.

Company E realizes that its current name no longer matches its marketplace positioning as a result of the successful implementation of its e-strategy.

These examples — all true — demonstrate that naming, both for companies and products, can't be an afterthought of the branding process. The fact is, it's a lot cheaper to change your name before you trot it out to consumers, business customers and investors.

The best-named tech products demonstrate that customers don't buy products because they're "tech" — they buy products that promise something of value. In branding speak, the brand creates a bond between the customer and the company. Point being, tech products naming is no different from regular consumer products naming.

Looked at that way, over-emphasizing the tech aspect can actually be detrimental. In most cases, tech isn't what you're selling — tech is more likely a vehicle to get to what you're selling. Certainly that's the case with e-commerce of all sorts.

Look at the companies that do tech naming right. IBM's Aptiva and Compaq's Presario are good examples of tech products whose names bespeak product attributes and customer aspirations — not just tech. Yahoo! took the same road in creating an Internet portal.

Fatbrain.com used its new name to draw attention to itself as the Internet's most comprehensive bookstore for professionals as well as the concept of intellectual stimulation on the web.

Microsoft has done a great job in leveraging a master brand that supports products ranging from word processing software to e-commerce services.

Amazon.com is one of the best examples of a dot-com name that works equally well in both its domain and non-domain name usages because it has come to symbolize the success of e-retailing.

What about the "e" construction? eBay, e-Toys and, on the B2B side, e-trade — all of which are very successful. The danger here, however, is choosing a name that fits today but not tomorrow, as the craze for dot-com names fades.

Does that mean that "techie names" are a bad idea? No. But it means that tech companies need to understand the larger proposition.

First, a brand is the promise of an experience — more than just a catchy name, more than just a trade-markable name, and more than just a good URL. It has to help consumers clarify their choices.

Second, a brand is a fusion of the emotional with the functional components of a product or service.

Third, it is the relationship between the product and the consumer that secures future revenue by securing preference and loyalty.

The real trick when you're starting off is to create a name that facilitates what Interbrand calls Destination Branding™, a unique method in which brand name development and total brand vision are inextricably bound. Destination Branding™ enables us to create brand names that don't just

label a product or service, but rather help brand it. In other words Destination Branding™ creates names that help take brands further, transcending the physical benefits of the product to create an experience that the consumer identifies with -- presenting a lifestyle they aspire to. Take for example Expedia.com in the travel services industry or the phenomenally successful Starbucks and Nike. And let's not forget Yahoo! (especially as it compares to other search engines like InfoSeek and AltaVista, which seemingly have created far less of an emotional connection with customers).

So does the right name still matter? You bet — because it's the calling card, the scene-setter and the one-second summary of all of the branding you'll ever do.

Sidebar:

Looking ahead, we may see that the whole 'e-name' phenomenon as just a passing fad of the late 90s. Two years from now, you may find that:

* The much overused "e" and "i" constructs has been replaced — especially in dot.com names — by more abstract letters like "z" and "x" and "q."

* A backlash against cold and impersonal technology resulted in a move to "tactile" names for new companies and products.

* Companies embraced naming concepts that offer more security, stability and sense of culture and place.

* The Internet and global commerce forced companies to use hybrid names using familiar words from English and other languages, including "dead languages" like Latin.