

Cyberizing Company Names: Fad or Lasting Value?

Age-old question: What's In a name? If we're talking about your business, the answer is "almost everything."

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for Office.com*

Dec 15, 2000— Choosing a company name may well be the single most important business decision you make. It signals to customers, employees, investors and competitors where, when, how and why you'll compete.

It's always been hard to find a name. The proliferation of cyberized names today has complicated a process that has been around for millennia. Thousands of years ago, Egyptian brick makers created the first "company" brand names. They distinguished work among themselves by chiseling their names directly onto their products. An apt beginning for a modern corporate dilemma.

Branded Bricks, Naming Clicks

Finding ways to adapt their carefully crafted — and often expensive — naming conventions and brand-building efforts from bricks to clicks can create confusion in both worlds for established companies.

For example, what does a traditional company say to customers, in both conventional and online markets, when it merely adds a ".corn" to its long-standing company name? Products cost more? Service is faster? We've reinvented ourselves? Should a completely new company name be chosen for the online market, much the way companies protect product brand positions of established brands when introducing up- or downscale variations?

When Wal-Mart entered electronic markets, it simply added .corn to its name. When a large Canadian bank, Bank of Montreal, went online, however, the institution chose a new moniker: mbanx. In another case, FirstUSA went online as Wingspan.

For startups, it's not just a question of picking a company brand name that identifies the nature and scope of their business. The name also must signal whether they'll compete primarily in traditional or electronic markets.

Obviously, new online companies must follow Internet conventions and include .corn (or one of the new designations such as .biz) in the URL address — remembering, of course, that the key criteria for any URL are that it be short, easy to spell and understandable. The decision to include the .corn in the official company name and off-line brand building, though, is a whole different matter.

Dot-Corn or Not Corn

A major business school suggested in a study done just two years ago that simply adding .corn to an existing company name would immediately boost the company's stock price. Today, the opposite is true. Many companies that used .corn in their names are dropping it.

For entirely online businesses, using .corn is probably the right choice. But if your business isn't virtual, making .corn a part of your company name is likely shortsighted and could work against you in the longer term.

Name-calling can be fun.

One of the latest naming fads has been to add an "e" to an existing or new company name to signal, I suspect, the company's electronic savvy. In some cases, this might be very appropriate because it signals a core value or competency. (For example, eOriginal creates original "signature" documents such as mortgages and bills of lading online). Those adding "e" without a value proposition are in danger of destroying value.

Additionally, I recommend that you stay away from prefixes and suffixes that fail to differentiate your business. The Internet is saturated with names that use cyber-, net-, tech-, digi- or sys-. These terms shorten the life of a name. "Ah, yes," people say. "That looks and sounds like the mid-'90s."

Beyond "Cyber": Communicate Value or Position

Whether or not you "cyberize" your name, the most important name that you use communicates your company's market position or the value created for your customers. And remember to try to choose names that travel well overseas, even if you start out doing business only in the United States.

Lawyers push concocted (Yahoo) or nonsense (Motley Fool) names because they are easiest to protect. This is true, but lawyers don't care about marketing.

Some companies take a name with no particular connection to their company (Amazon) and, through hard work and huge amounts of money, create unique and valuable brands. Others, with generic names such as Furniture.corn, or Garden.corn, all bit the dust. The online pet category had four undifferentiated players that included "pet" as part of their name. Now only one remains in business.

Generic names, moreover, are limiting. What happens if Wine.corn wants to expand into other spirits, or if Cooking, corn wants to expand into housewares?

Here's a little exercise I've used to get the naming process started for many companies and products: Put as many words, phrases or ideas related to your industry, company, products or services (or if you're the founder, about you) into a matrix. Then, mix and match them until you come up with something unique, value-adding and legally enforceable. The examples listed demonstrate the results.

These examples demonstrate successful corporate results down through the years: John Hancock Insurance (history), American Telephone & Telegraph (geography), E-Trade (function) and Sharper Image (customer value). Throughout the process, keep in mind what The Economist once noted: "Fashions in names suffer from the same problem as fashions in clothes or decor: They change. And it is a lot more expensive to retool your corporate identity than to throw out your flared trousers or avocado bathroom suite."

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