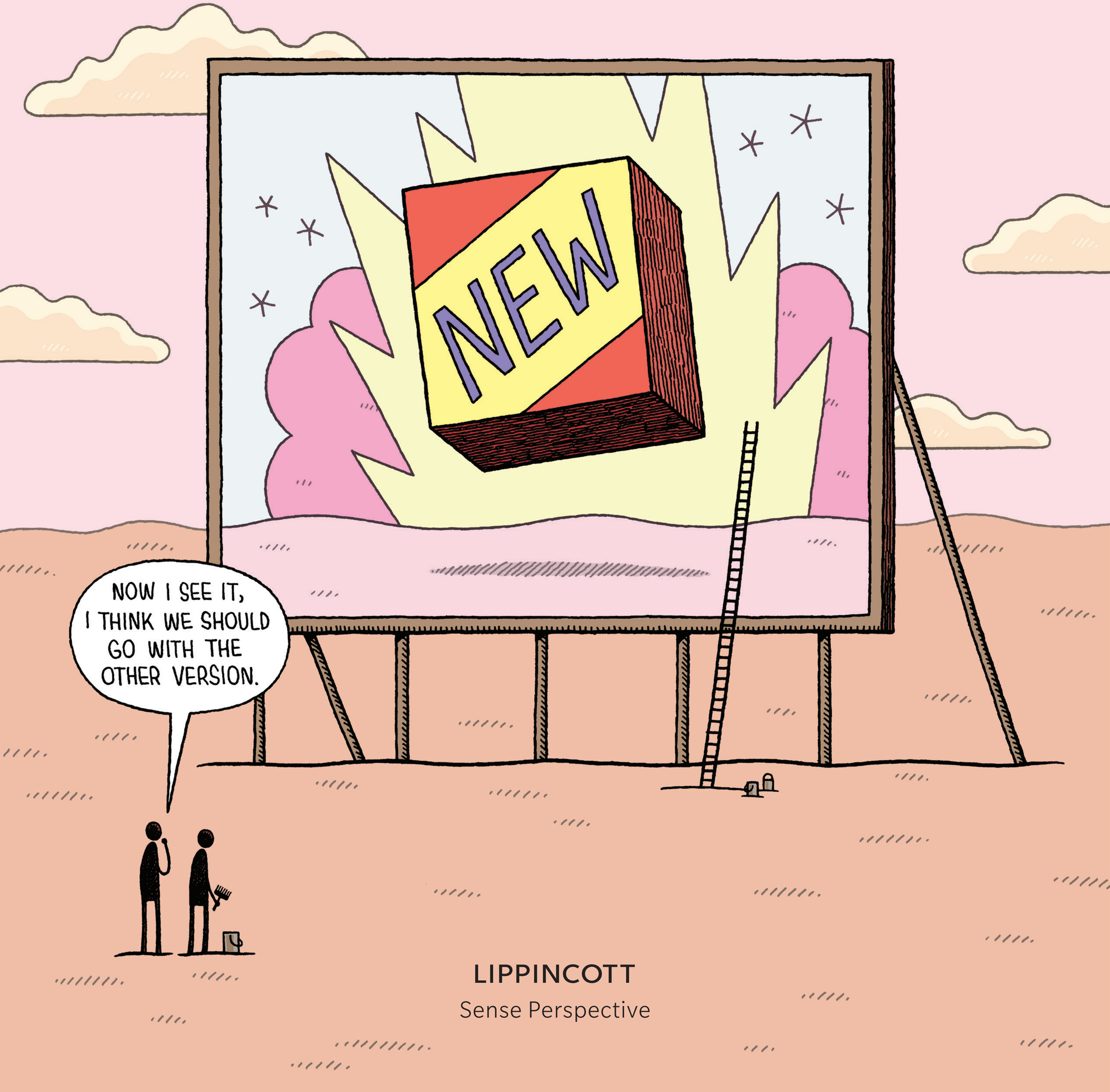
Reinvent or Reinforce?

The go-big-or-go-home reality of naming a modern offering



LIPPINCOTT

Sense Perspective

New brands are reshaping competitive landscapes and redefining consumer expectations at an accelerating rate. As traditional models are reinvented, so too are the names that define them. Brand names are getting bolder, more evocative and more ambitious. For a new brand to stand out and drive consideration in this new world, its name must work harder than ever before.

Incumbent leaders now face a stark choice when launching new offerings:

Do we reinvent what our brand stands for with a bold new name, or do we go with a straightforward name that reinforces the brand we've already got?

Both options are often viable, but each comes with a clear set of implications. Whichever way you go, all-in conviction is required to focus energy, messaging and dollars behind the one brand sent to compete in this high-stakes climate.

Name like a challenger

Conventional wisdom has long championed a monolithic brand strategy, keeping focus on the equities of a master brand and minimizing the costs and complexities of building new ones. Brands like GE, IBM, Disney, Nike, UPS, Intel and BMW have dominated through the strength of a singular idea. But today we're seeing new and established brands alike energizing their portfolios through the creation of challenger brands that don't just augment portfolios, but take them in wholly new directions.

One of the most salient ways a brand signals a challenger mentality is through *its name.*

If an innovative value proposition alone is not enough to reenergize an incumbent brand's perceptions, a bold name and identity can help accelerate its visibility and engagement in the marketplace.

In just about every category, disruptors have broken barriers and reinvented business norms with names that are as disruptive as the businesses themselves: Monzo, Nectar, Redfin, Betterment, Jawwy, Zappos, Hulu, Oscar, Warby Parker, Seamless, Zillow, Birchbox, Casper, Uber, Tinder, Skype, Spotify, Waze — it's almost as though a disruptive name is a prerequisite for disrupting a category.

A "challenger" name serves a completely different purpose from the parent brand, inherently creating a new sub-brand. It evokes new attributes, new personality and can be used to expand a brand's purview into:

- New headspace: new associations, new emotional territories
- New audiences: relevance with a segment the parent brand has struggled to reach, and solving their core challenges in new ways
- New directions: new business models and partnerships; entering or creating new categories, or even laying the ground for a spin-off or stand-alone brand

Whether a product, platform, feature or initiative, when given a name that bucks the parental trend, the offering can signal a bolder ambition than those that draft on existing themes.

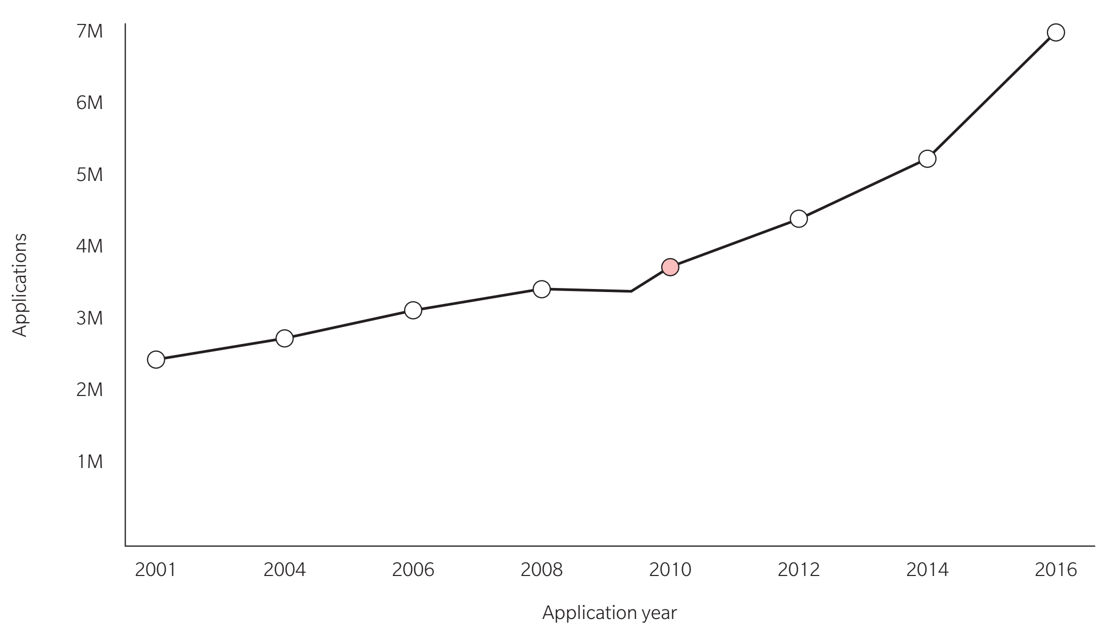
Consider, for example, the trend of traditional financial incumbents Chase, Goldman Sachs, Wells Fargo, ING and OCBC Bank. Each has developed a platform brand with a bold new name: Finn, Marcus, Greenhouse, OrangeLife, FRANK — all named and built like challenger brands, more fintech than Fortune 500.

Inherent in these choices is significant investment and a bold ambition to reinvent brand associations with new trajectory. Rather than stretch the equities inherent in their 100+-year legacies, these new brands are writing net-new stories for net-new audiences. Names are the embodiment of this breakthrough intent, teeing up and giving runway to new opportunity.

T.M.™ (Too many trademarks)

A possible risk of naming like a challenger is a portfolio with a challenging number of names, aka "Name Soup." It's a struggle we see most large brands facing, B2C and B2B alike. Put simply, the problem is branding too many offerings with proprietary names. An entrepreneurial brand mindset can open the floodgates to exciting new value propositions — and to trademark proliferation. Case in point, the explosion of trademark applications in the past decade, where the United States Patent and Trademark Office alone has seen a 100 percent increase since 2010.

TRADEMARK APPLICATIONS WORLDWIDE



Source: WIPO, World Intellectual Property Indicators. http://www.wipo.int/edocs/pubdocs/en/wipo_pub_941_2017-chapter3.pdf

While strategic development of boldly trademarked brands can drive business, a portfolio with too many nonstrategic trademarks can raise a number of challenges:

Expense

Each proprietary name demands a dedicated budget to define, describe and bring it to life in the minds of customers.

Complexity for employees

Confusion about the portfolio can complicate sales, service and brand management within the organization.

Diminishing marginal returns

With each incremental name, attention span is further diluted within the portfolio. This diffuses focus on the offerings of the highest strategic value.

Reduced brand performance

Too many branded offerings within a portfolio has shown to depress revenue and brand satisfaction.*

Complexity for customers

Too many names to navigate can make everyday experiences more onerous for customers.

*

Corporate Executive Board — https://hbr.org/2012/05/to-keep-your-customers-keep-it-simple

Reinvent or Reinforce?

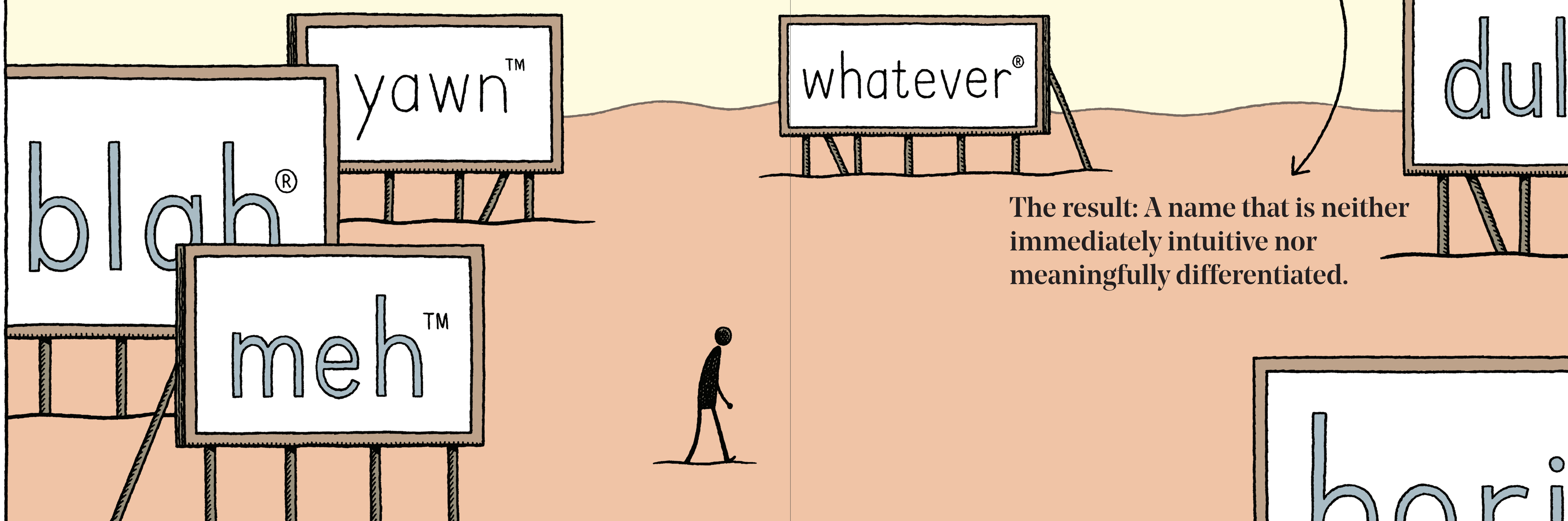
The paradox of the halfhearted name

When a new offering does not merit the launch of a bold new brand, a descriptive name is likely the best way to support an intuitive, transparent customer experience. But "descriptive" is often seen as boring, uninspiring or unlikely to "break through the noise." To reconcile this dilemma, many brands fall into the trap of halfhearted naming.

It starts with the recognition that a bold new name like Xfinity or Galaxy would require too much to support and manage. But rather than create a straightforward descriptive name, the "happy medium" compromise is names that gravitate toward "safe" themes, familiar language and name techniques that have become increasingly diluted across categories. The goal is something unique, catchy and ownable, but often results in a name that complicates the brand ecosystem, and saps energy and attention from flagship brands. Ultimately, these halfhearted names do not deliver true differentiation, undermining their purpose in the first place.

Seeking to differentiate an offering through an ownable name ... but without the support to bring a truly unexpected name to life

The result: A name that is neither immediately intuitive nor meaningfully differentiated.



To add context to this reality, let's look how frequently some common terms are used in corporate and product names. In the U.S. alone there are:

16,550
active trademarks that contain the word
"power"

14,697
with
"smart"

13,653
with
"my"

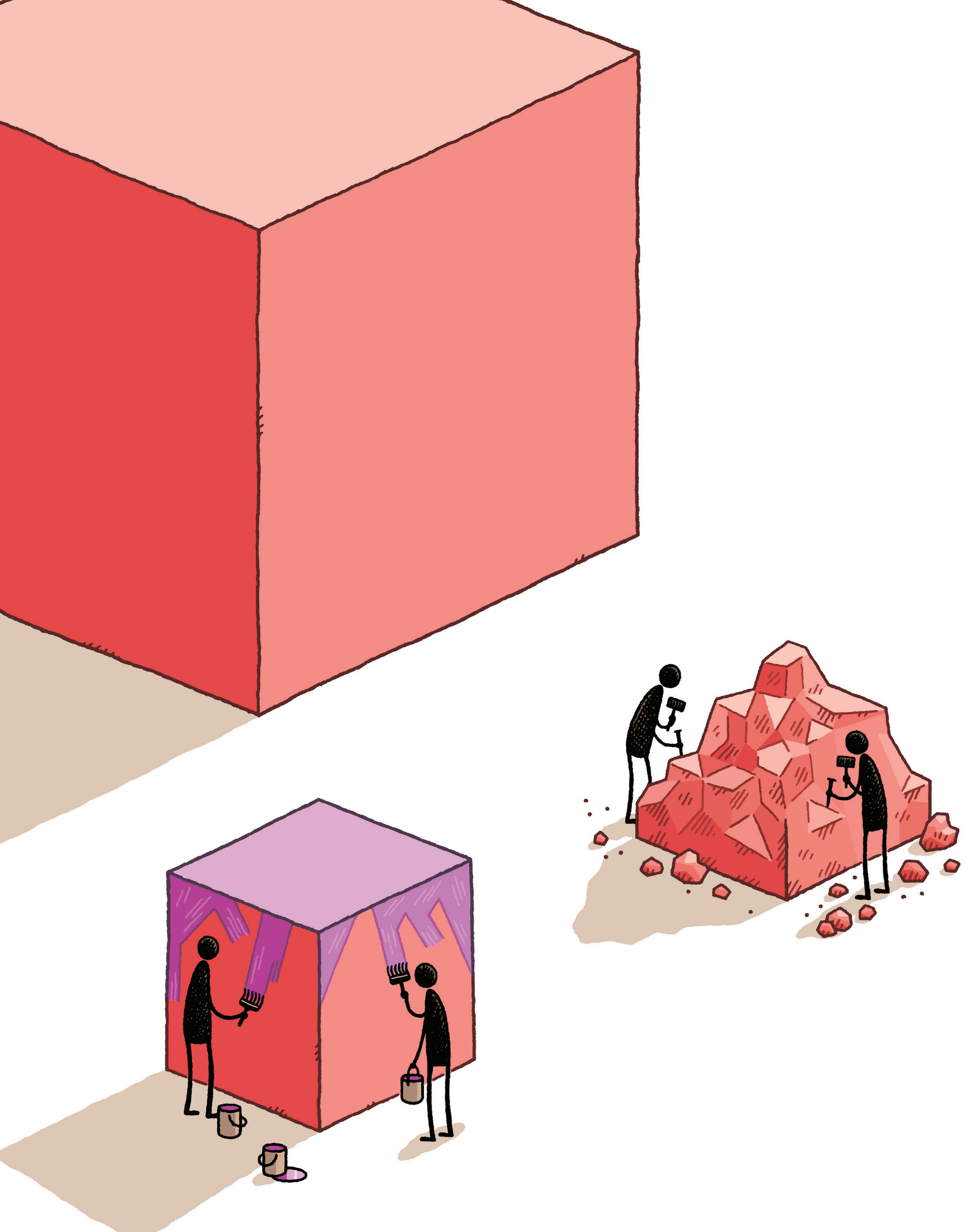
8,765
with
"easy"

6,143
with
"true"

7,892
with
"flex"

What does all this mean for naming? If the objective of a name is to differentiate from the category, it's getting harder and harder to do with a name that lacks the stature of an incumbent brand — or the energy of a disruptor. Halfhearted names no longer cut it. It takes bolder, more inventive approaches to break into the crowded trademark space, to then break through in the market.

The solution is a more binary approach to naming strategy: Be selective about which value props command the energy and strategic focus of a bold new brand name, and for those that don't, stop trying to differentiate with any name but the one at the top of the portfolio. In other words, **reinvent** — choose the offerings that truly expand what your brand represents and name them with wholehearted boldness — or **reinforce** — drive that same boldness of spirit back into the parent brand through inventively descriptive names, where each new offering is a proof point of the higher order brand strategy.



Name your strategy... Reinvent or Reinforce?

As trademark registers are flooded with applications, as competition for consumer attention proliferates and our attention spans shrink, as disruptive start-ups shatter norms in business models and naming conventions alike, and as familiar naming tropes are increasingly tired, marketers should consider a more binary naming strategy:

Reinvent

Objectives
Be bold, be different, be emotive.

Says
This is a big new bet that we think should become a go-to brand.

How
Define a new brand or sub-brand name, with unique associations, characteristics and personality incremental to the parent brand, i.e., a name with a heart of its own.

- **Create a name with bold creativity** that seeks to define (or redefine) a category through completely novel, often abstract or unintuitive, terminology.
- **Make a strategic departure** from equities of the parent brand, seeking to expand upon what it stands for in meaning or personality.
- **Commit to more than the name itself**, but also the investment in the identity, message and experience that deepen the new offering's meaning.

Well known examples of brands that reinvented their status quo through a bold new platform or product name:
Comcast Xfinity
IBM Watson
Marcus by Goldman Sachs
Samsung Galaxy
Salesforce Einstein
Chase Sapphire
Amazon Prime
Wrigley 5 gum

Reinvent or Reinforce?

Reinforce

Objectives
Be clear, be straightforward, fit in.

Says
This is one of multiple things we deliver that keep our brand relevant and competitive.

How
Define what an offering is in service of a parent brand, with the primary role of clarifying its place within a portfolio.

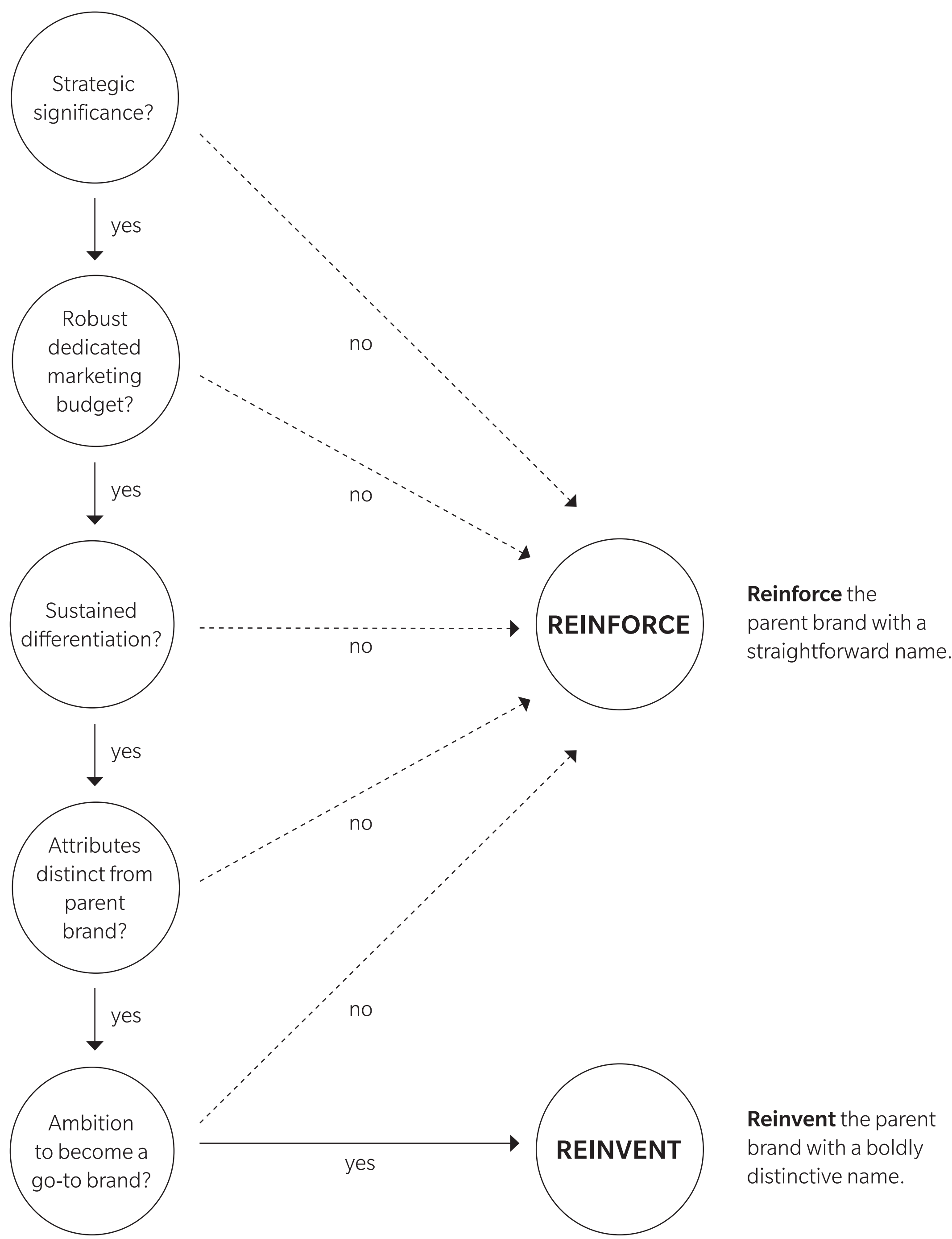
- **Build the brand that's the hero of the story** and define the new offering as another proof point of the parent brand it enhances via a compelling value proposition and narrative.
- **Prioritize intuitiveness over differentiation.** Use language that makes it as easy as possible for customers to navigate the experience, putting creativity behind doing so in the most human and supportive way.
- **Name with customer navigation in mind.** If the name were one of many options on a menu, with no description, would customers know what it is?

Brands with naming systems that continually reinforce the parent brand:
PayPal
Oscar
IKEA
CAT
UPS
Zappos
The Honest Company
USAA

Every organization should have clear naming principles to guide when to reinvent and when to reinforce. The diagram on the following page helps frame the discussion around inventing a new brand versus innovating to stretch one that you own. Are there factors unique to your organization that you would add?

CLEAR GUARDRAILS:
Every brand should have specific and enforceable rules for when each approach is right.

WILL THE NEW OFFERING HAVE ...



"*OK.*"

So, you've got a strategy, now how do you go about naming to reinvent or reinforce?

Naming to reinvent

Creating a brand name for an innovative new bet is an alternative to adjusting the direction of the entire business. It's about harnessing the reality that the customer of the future is drawn to what's new, and more likely to prefer brands that they don't yet know.†

A name is a powerful catalyst to enter tangential or new markets and speak to new audiences.

A name that captures attention is a workhorse for communications: signaling "something fresh is happening over here," getting people to talk about your brand, and teeing up customer engagement about what's unique. Bigger picture, inventing the right type of name and tone extends what the parent brand stands for, allowing opportunities for further growth.

What it takes to create a name that reinvents

1

Identify the right people and methods.

It takes an open mind to see one word's potential to become an inventive brand. Look for a change agent or someone who is simply passionate to champion the project, then be their champion. Naming belongs in the early stages of this innovation model.

2

Challenge teams and leadership to go big and be steadfast.

If your new brand drives discussion (recognizing there will always be haters), you've done it right. Xfinity was a massive bet by Comcast in response to a challenged brand reputation. Years of investment were required to create recognition and clarify the name's role and associations in consumers' minds. The bet paid off, and today Comcast benefits from the associations of a vibrant, modern and dramatically more human experience for the business.

†

Brand Like a Challenger — https://lippincott.com/insight/brand-like-a-challenger/

Reinvent or Reinforce?

3

Make sure a newly created brand does two jobs: builds equity for itself and the parent brand.

When a parent brand makes a bold move with a new name, implementation should ensure the parent brand benefits from the start. To get the balance right, use your brand strategy and marketing plan to map out the linkages you want people to make, also being clear around which degrees of separation are OK or not.

Target's system of sub-brand creation (up & up, Simply, A New Day, etc.) has led to a broad portfolio of powerful names that collectively expand the brand's overall purview and equities while individually serving a clear strategic purpose.

4

Rigor in process to manage subjectivity.

Align key decision makers on a naming criteria and a rigorous process. A key to success is understanding the types of biases to expect, to better navigate and neutralize them.

- **The risk-aversion bias:** When people quickly decide it's more important to minimize risk than to carefully examine the potential for gain by going big.
- **First impression bias:** When people think they've carefully assessed criteria when they're really going with their initial reaction.
- **The belief bias:** When people choose a name (or not) based on their personal beliefs and values versus how it aligns with the promise and values of the brand.
- **The availability bias:** When people rationalize the strength or weakness of a name based on top-of-mind reference points versus thinking deeply about the strategy.
- **The sway bias:** When a stronger voice states their opinion on a name and others follow suit versus engaging in healthy discussion.

The antidote to each of the above biases is a rigorous naming process rooted in: the upfront management of expectations, a well-defined vision for naming criteria unique to the offering, and a strategic name-rating process that bases individuals' evaluations on the criteria versus emotional groupthink or individual predisposition.

Naming to reinforce

With clear criteria in place to guide which offerings **do** deserve bold new names, the large majority of new offerings will inevitably fall into the other category of those that **don't**. This is often the cause of internal strife, disappointment or governance-mutiny.

There is a misconception that without a great name, an offering can't engage consumer interest. While every offering cannot be a disruptive new brand, a descriptive name needn't be without heart. In fact, just the opposite.

Naming to reinforce is about being a team player rather than forming a new one.

And if naming in support of the overarching brand seems to deprive you of the tools to boldly differentiate, the problem may be bigger than the naming strategy.

1

Ensure your brand has a clear, inspiring platform.

When teams feel the need to create new names, it's often because they struggle to see the power of the parent brand to deliver the proposition on its own. Without a clear North Star driving innovation, agility and creativity, names are substituted as a way to inject this missing dynamism. When a brand's purpose inspires passion, teams have an easier time considering a new offering as "one more way we're making our purpose a reality."

When Southwest relaunched its new brand identity and Transfarency platform, they streamlined a number of evocative names in the portfolio. Goodbye LIFT coffee, Jackpot deals, Spirit Magazine and Ding! alerts. It wasn't about stripping the personality from a beloved brand. Just the opposite. Eliminating distracting names from the portfolio puts all the more emphasis on the core brand story and the Southwest identity, along with the core portfolio of names like Rapid Rewards, Earlybird check-in and Fly By that connects more clearly to the customer benefit in the spirit of their people-first strategy.

2

Provide user-friendly tools.

Establish naming guidelines on how to create better descriptive names and a process for name creation, review and approval. Provide helpful examples for how to create an on-strategy name. Even consider creating a naming council to guide policies and navigate gray areas.

IKEA's naming system to a non-Swedish speaker may feel abstract and evocative, but the effect of the strategy is that no name functions as a "brand" as much as a functional label to enumerate and differentiate products. Without aiming to create any brand recognition in any of its product names, IKEA keeps full focus on the parent brand in a deeply differentiated way.

3

Train teams in left-brain, right-brain thinking.

Train your teams in systems thinking in the context of brand to elevate brand architecture skills. At the same time, also train them in storytelling, so the burden of buzz doesn't lie so heavily on the name.

Audi's naming system uses a highly consistent and intuitive alphanumeric system to define class, size and premiumness of vehicle, so all storytelling through communications has full focus on the parent brand.

4

Lower the ® pressure.

In many cases, the best way to describe a value proposition is using descriptive or inventively descriptive language customers already know and understand. The belief that "we need a new way to say it" is often the cause of needless proliferation of names and portfolios that are actually less appealing.

On the other hand, Nest has purposefully proliferated new offerings with highly intuitive names: Protect, Secure, Detect, Connect. Each defines a core functionality with a pithy, memorable simplicity and the energy of an action verb.

5

Be more nimble and customer centric.

One major benefit of defining an offering with descriptive terminology rather than creating a brand name is that consistency is less imperative. Offerings can be defined and described in different ways based on segment. Language can be A/B tested to clarify the most intuitive routes to understanding.

Tropicana uses descriptive names for its single-serve juices (No Pulp, Some Pulp, Lots of Pulp) in support of a quick decision mindset. The same offerings are known as Original, Homestyle and Grovestand in grocery stores — harkening to the equities built over decades.

At the end of the day, every brand needs one name.

Reinvent or Reinforce?

When setting out to develop a name, the first question shouldn't be, What kind of name are we trying to develop? Rather, ask, Are we reinventing a new brand or reinforcing the one we have?

If it's time to build a new brand, it's both an important business opportunity and an exciting journey — and may we recommend "Brand like a challenger."

If not, your job just got simpler. Find the most helpful, intuitive and authentic way to define the offering. Your brand will be stronger for it.

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