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BrandWorth™: Strategies for brand naming

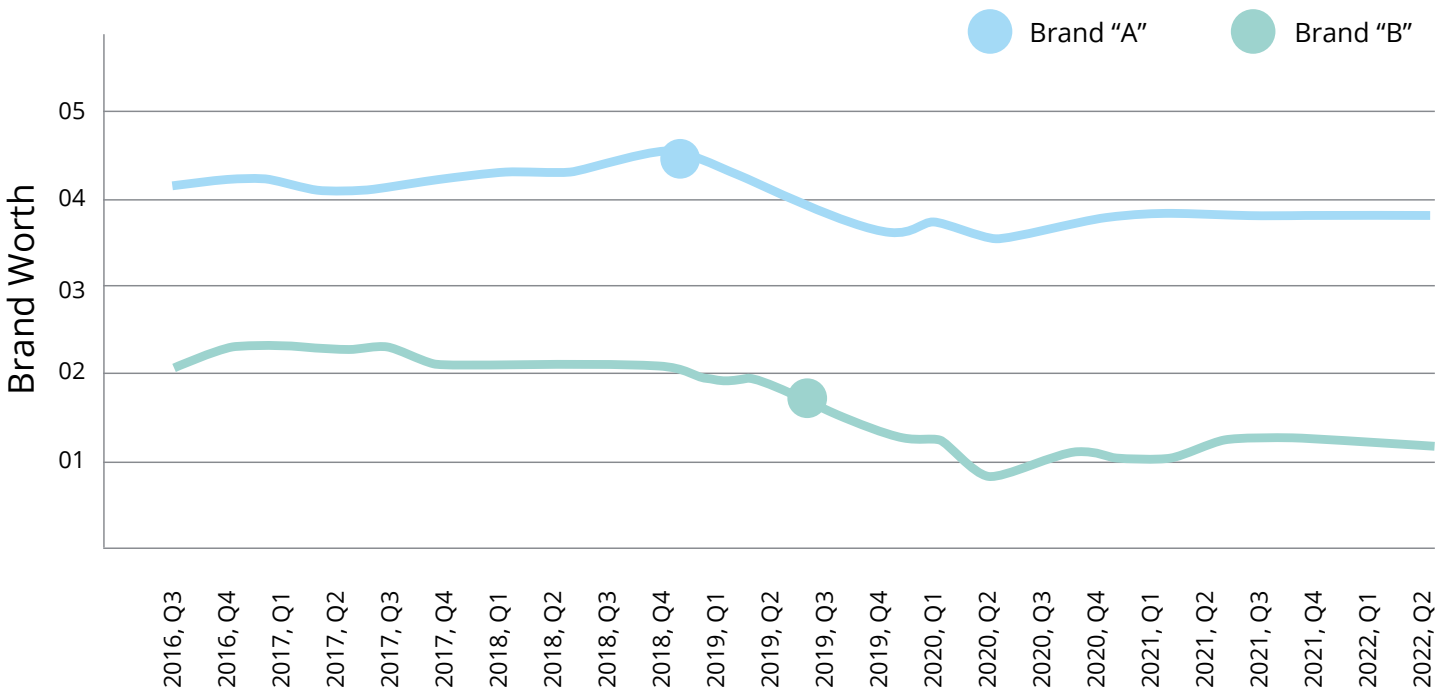
Steps to create a brand name that drives
long-term, enterprise value

There is no magic formula for creating a brand. Like any other business process, branding is not a math problem with a single, correct answer. Instead, there are a multitude of ways to succeed - and fail. The highest-performing brands within our BrandWorth research [[BrandWorth link](#)] have a clear brand strategy that aligns with customers' needs and values, provides an experience that is differentiated in the category, messages clear company truths, and owns a unique place within culture.

Often, one of the best and first ways to communicate this brand strategy is with a brand name. A brand's name will be the most-used brand asset and will inevitably hold the majority of a brand's financial value.

Simply put, brand naming is serious business. Naming a newco will have long-term implications on a brand's success and renaming an existing brand is even more high-stakes. For example, the equity earned over time often

outweighs the attention or permission a new name can generate. See the below chart for two examples of well-known, marquis brands which chose to change their name (moment of change symbolized with the circle). In both examples, the brand name was only shortened, but impacted brand equity for substantial time.



Regardless of the scenario, based on our research, it takes approximately three to five years to build brand equity for a new brand name, and having the right name can make a big difference in how quickly equity is accumulated. A great name begins with a clear brand strategy rooted in a deep understanding of the 4 C's.

● **The Customers' needs:**

How are customers engaging in the category? What are their values and what do they care about? What are their search patterns when shopping? What analog brands catch their attention? How can we use this to inform the name?

● **The Category differentiation:**

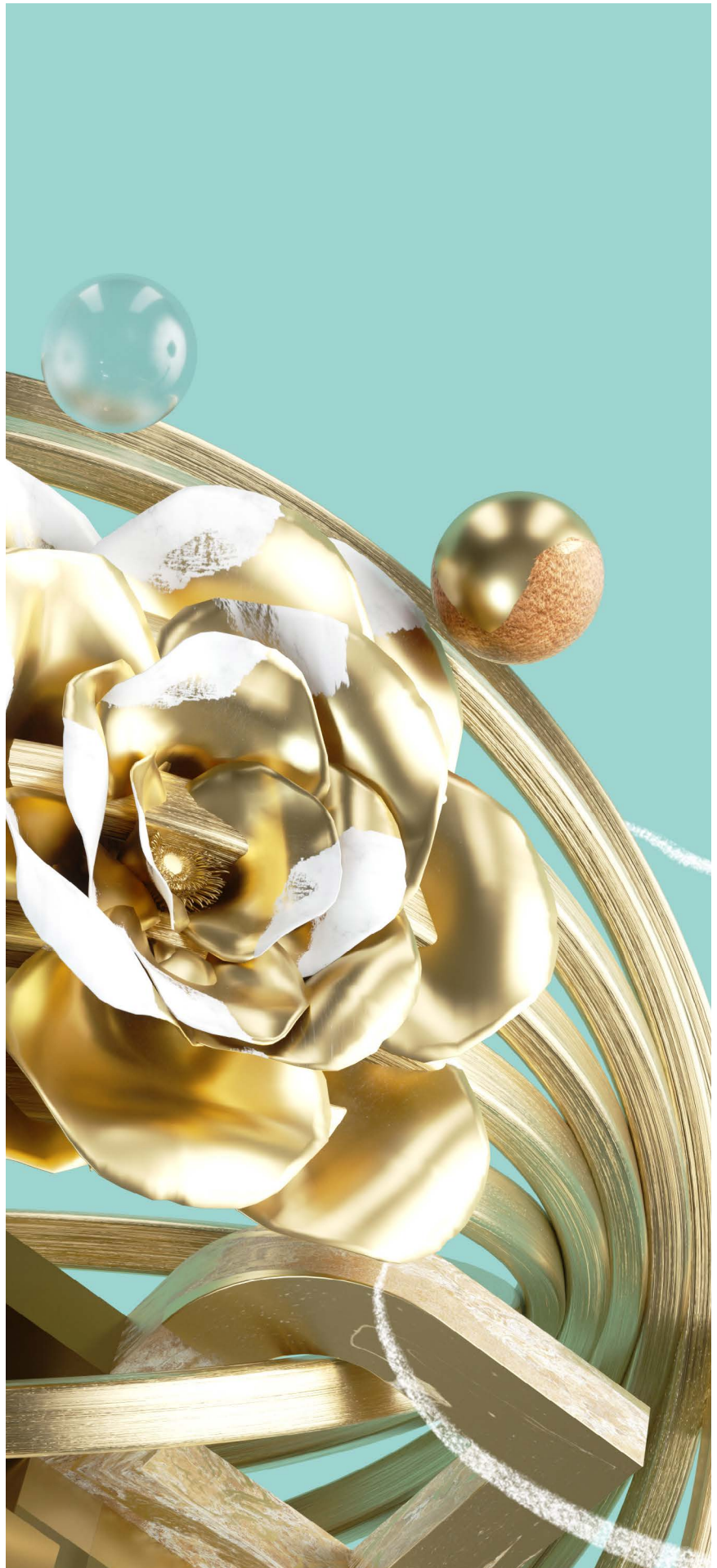
How are direct and indirect competitors named? Is the category a 'sea of sameness' when it comes to naming? Is there an opportunity to disrupt with a name, or are those codes in place for a reason?

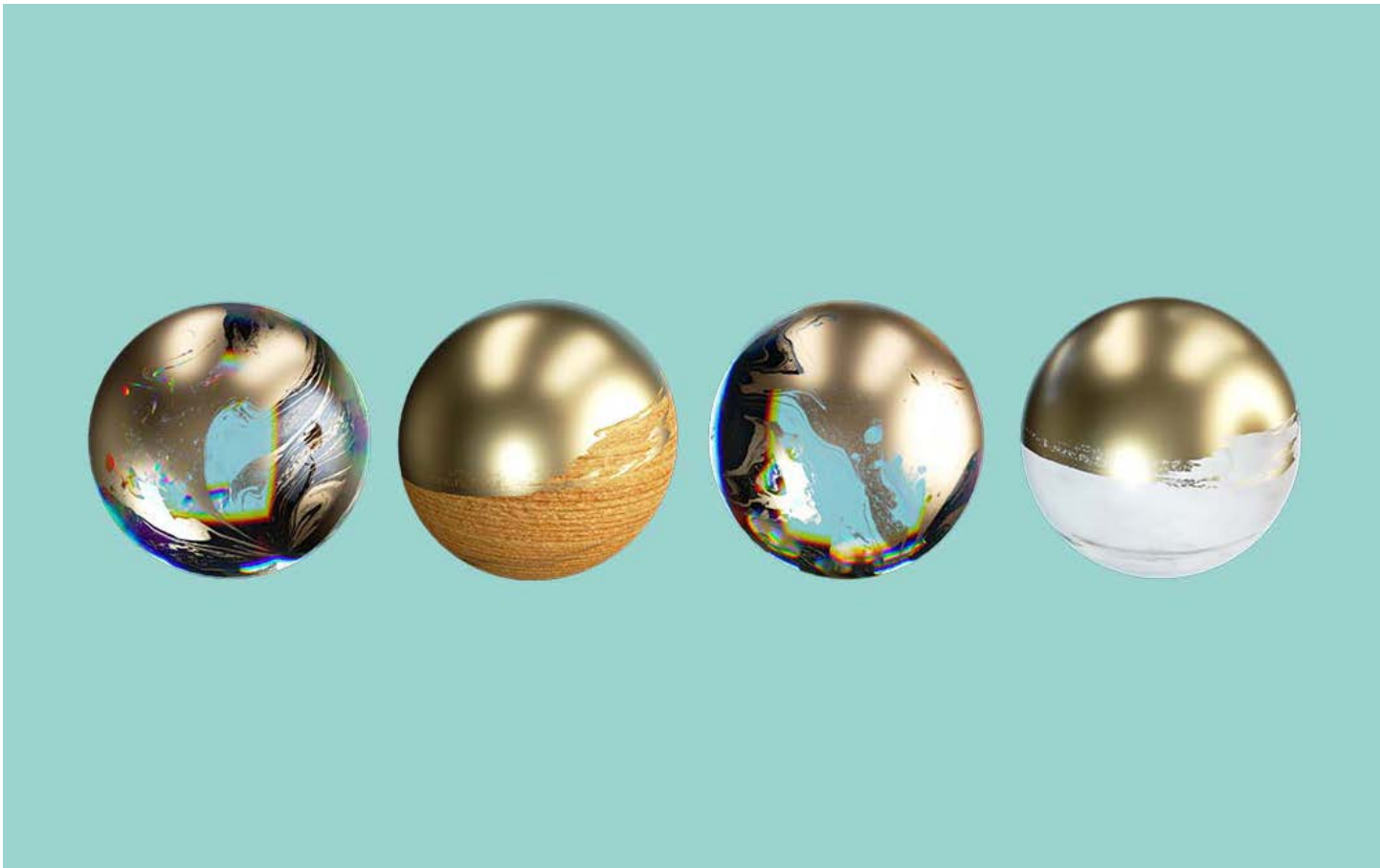
● **The Company truth:**

What is unique about a product or service? Is there a special ingredient or heritage that can be leveraged? Is there an existing brand architecture or naming framework that should be maintained? How can we use this to create an ownable name?

● **The Cultural opportunity:**

Are there any macro trends that are shaping the world? What, if any, role can or should the brand play in these in the long run? Should the name reflect this position?

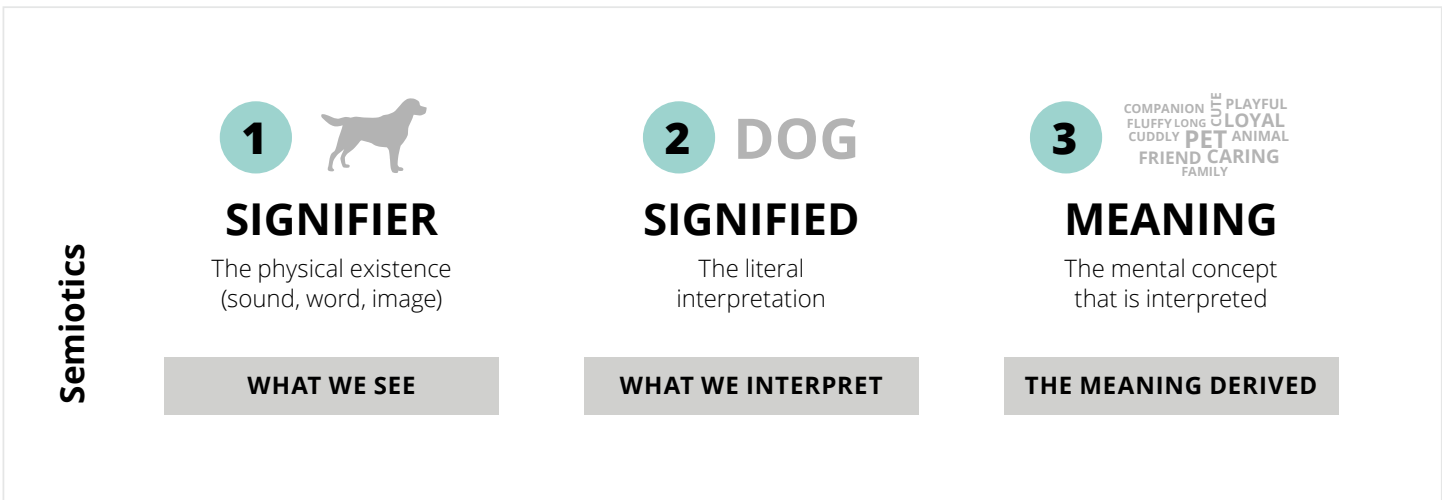




Once the 4 C's have been addressed, our naming process taps into semiotics, the study of the signs and symbols.

Semiotics assessments help identify ways to subtly communicate the important elements of the 4 C's through what is seen in a brand's visual identity, what is interpreted

via color theory and etymology, and the meaning derived by those who come in contact with the brand. This semiotics assessment sets the foundation for the naming choices.



We develop names within six distinct categories, each with unique strengths and considerations. Sometimes all categories are viable options, while other times the options can be more narrow. Here are the categories we consider, beginning with the most functional and ending in a more theoretical or emotional place:

Descriptive names say exactly what business a brand is in and what customers can expect.

The upside of these names is that they clearly communicate the brand's core competency and make that an ownable part of long-term brand equity. The main consideration for Descriptive names is that they can be limiting for future expansion. Because they convey the offering at the time of naming, they may not be as flexible for future innovation and strategy shifts. However, many Descriptive name companies avoid this potential pitfall by using their initials instead of the full descriptive name.

Derived names most often come from other languages, are rooted in etymology, or can even be an acronym (think of water brands that start with "aqua"). The upside of these names is that they are built on existing words or understood language constructs, which means they can be easier to trademark with fewer negative connotations. However the main consideration for Derived names is that they may carry less emotional meaning to the average customer. This means a brand may be required to spend a bit more in marketing budgets to define the Derived brand, drive awareness, and understanding.

Heritage names tap into the company's history, a founder's name, or even a famous historical figure. Many clothing brands use Heritage names to communicate founders' visions. The upside of these names is that they create built-in, incremental meaning by tapping into an origin story with lore or cultural significance. However, the main consideration for Heritage names is that they can be interpreted as dated over time and could put the brand at risk if public perception or favor shifts for the name's inspiration. While easier to trademark, these names may require additional marketing budget to communicate the ownable origin story.

Experiential names focus on communicating a product or service experience - how it makes customers feel or what benefit it delivers. The upside of these names is that they offer direct connection to something ownable to the brand, especially for new entrants in a category with a differentiated experience. The primary consideration with experiential names is that there are only so many "experiential words" (think of all of the products named "explorer"). This means more competition for the brand equity, meaning these names are used more often and can be harder to trademark or own for a brand.

Evocative names communicate a brand's strategy and unique positioning. These names are the literal manifestations of the four C's and communicate when a brand has a clear and ownable positioning. This category often results in names that

are distinct yet memorable (think of a certain fruit-themed tech firm). While getting an Evocative name right is like capturing lightning in a bottle, these names are also more abstract. This means these names can be harder to test with customers and stakeholders alike, and can make it harder to shift brand positioning in the future.

Finally, Invented names defy definition in every sense of the word. If a brand needs to stand apart, own something unique, and perhaps create a category, Invented names are a great option. The consideration with these names is that a brand needs to communicate what the invented name means, without some of the anchors that exist for Evocative or Heritage names. In addition, because they are completely new words, pronunciation can intimidate consumers. Be prepared to spend a bit more of the marketing budget to drive awareness and imbue an Invented name with meaning.

No matter the type of name chosen, it's important to remember that the highest-performing brands have a clear brand strategy rooted in a deep understanding of the 4 C's: the Customers' needs, the Company truth, the Category differentiation, and any role the brand can play within Culture. This will help ensure a name will drive long-term, enterprise value.

A great name begins with a clear brand strategy rooted in a deep understanding of the **4 C's**.

1

The Customers' needs

How are customers engaging in the category?

2

The Category differentiation

How are direct and indirect competitors named?

3

The Company truth

What is unique about a product or service?

4

The Cultural opportunity

Are there any macro trends that are shaping the world?

Contacts

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Sources

¹ Source: BrandWorth, 2022

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