

The Name Game

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“The average consumer is bombarded by more than 4,000 messages every day, ranging from TV and newspaper ads to electronic billboards.

The names heard and seen in those media will reach the public consciousness only if they are unique, distinctive and memorable.”

Naseem Javed,

Naming For Power: Creating Successful Names for the Business World

“A name is only as valuable as the marketing dollars and the business behind it. You need both a marketing budget and a well-run company to make a name or trademark meaningful. Otherwise, it doesn't matter how memorable or clever your name is.”

Rhonda Abrams,

What's a name worth? Not much if business plan is weak

Naming Your Business

As with almost anything you encounter in life, multiple opinions exist regarding the importance of naming your business. On the one hand, there is a school of thought that believes the right name can make or break your business. Another believes that naming a business isn't that big of a deal. In fact, if you don't get it right the first time, don't sweat it. You can always change it. So who's right? The diplomatic answer is that the truth lies somewhere in between these two extremes, and that it depends on what will work best for you.

What's In a Name?

Your business name will serve several purposes. It is the first contact your potential customers will have with your business. It will be used by people to describe what you do when talking to others. Additionally, the right name will encourage consumers and other businesses to use your products or to associate with your company. At a minimum, your name must assist customers in remembering who you are.

Attempting to come up with the right name for your business can be both daunting and frustrating. However in this article, we hope to provide you with a few tips and suggestions that may make the whole process a little more bearable.

Start by asking yourself a few questions about the type of customer you are targeting such as:

- Who are they, i.e. consumers, other businesses, the government?
- What will I be doing for them?
- What do I want my name to communicate to my customers?
- Are there particular phrases or words that appeal to them?

- What types of names are my competitors using?
- What will differentiate me from my competitors?

After you have jotted down your answers, you can begin the brainstorming process of selecting names for your business. Yes, we said *names*. When all is said and done, your list should contain at least five good names. Why? Chances are that when you go to register your business with your State, one or more of your names may already be taken. Better to have a few on hand, then to have to begin the process over each time one of your names is rejected.

The Name Game

There are three basic classifications for names. They are abstract, informative, and coined. If you are looking for a simple explanation as to which one is better, then you are going to be sorely disappointed. Each has its own advantages and disadvantages.

Abstract

Some experts believe that abstract names are the best because they allow you to basically create your own image. Using an abstract-based name does increase the chances of your name being distinctly unique, even memorable. But, it does have its challenges as well. The main issue is its ability to effectively communicate what your business does. This can be particularly important in the early stages of a business or in an industry where a name that communicates what you do is particularly relevant.

Take for example the company, “A Hundred Monkeys” (www.ahundredmonkeys.com). Ever heard of them? By reading their name, do you have any idea as to what they do? You would probably be surprised to find out that this prestigious company is in the branding and naming business. They have been around for over 25 years and have worked on branding and

naming issues with companies such as Ben & Jerry's, Reebok, Revlon, and Timberland, just to name a few.

They are good at what they do and their approach to branding and naming is reflected in their mission statement which reads, *“We will approach the problem without fear. Get it staked out, mapped, labeled, dissected. Find the messages that really matter. A point of view about the world. Expressed in words and images that are alive, authentic, compelling. And make sure that when the job is done there's a story. That's why we are here: to find your attitude, to give your business a voice.”*

Their mission statement sums up what every business owner would like to accomplish with the naming of their own company. That is for the name to be compelling, send a message, and maybe even tell a story. If curiosity has you asking how they came up with their own name, then wonder no more. According to the company, it is a self-deprecating reference to the fact that a hundred monkeys with a hundred typewriters may come up with the best names of all.

Informative

Other experts favor the informative approach to naming. They believe that this type of name immediately conveys to your customers what your business does. If your business or service is altogether new, you will generally want its name to communicate at a glance what it does. For example, business names (or trade names) such as Burger King, PetSmart, and FuelStop may not sound exotic or unique, but they do immediately communicate to the customer what they are all about.

There is one note of caution if you choose to use an informative name. Informative names work great if you are going to stick to providing one particular service or product.

However, if you plan to expand your business in the future, you need to be careful of your choice of descriptive words. For example, Wine Alley might be a great name for a wine store, but what if you decide to sell beer and hard liquor at a later date?

Coined

Coined names are increasingly growing in popularity. These names are typically made-up words that tend to be more memorable (or forgettable) than real words. Coined names tend to be more easily trademarked because of the made-up word quality. However, as we've eluded, you can also run the risk of creating a word that is easily forgettable as well.

These types of names work well if you have the resources to build their meaning. Do you think that anyone knew what Kodak or Xerox sold when they started out? Yet several decades later, and millions of dollars in advertising, they are names that have become synonymous with their products and services.

A good rule of thumb when deciding on whether you should exert the time and energy on trying to come up with a coined name is to again revisit what you want to accomplish. If your products and/or services are distinctive, have a competitive advantage, and you have the means to market it substantially over time, pursuing a coined name may be a workable option for you.

The Good Ones

The good names share similar attributes. Typically, they are:

- Catchy
- Simple
- Memorable
- Appealing and easy to use (includes pronunciation and spelling)
- Descriptive, and
- Generally have fewer than 3 syllables

Experts also mention a few common mistakes that should be avoided when selecting a name. For example, don't try to force a creative molding of words in an attempt to come up with a catchy phrase. Shoving all the words together doesn't make for a great name, but a simple spelling and pronunciation challenge.

Avoid selecting a plain name which is not memorable. Don't confuse plain with informative. If you have chosen to use an informative name so that your customers can more easily identify with what you do, it doesn't mean it has to be plain. You can still show creativity and allow your name to stand out amongst your competitors.

Stay away from names and phrases which are cliché and/or even obscure. While naming your business after a Roman God of War or your grandmother's home village in some small European country may be tempting because it holds significance to you, it may cause potential customers to stop and scratch their heads or pass you by.

Another common mistake is to incorporate a geographic reference into your name. For example, if you are opening your business in San Diego, you may like the sound of San Diego Auto Rental Sales or the Billings Bait and Tackle Shop. They are standard, informative names, but what if you experience growth and decide to open additional locations in other cities and/or states? Billings Bait and Tackle Shop may hold no relevance to potential customers in Des Moines or Seattle.

Finally, try to limit the input from others. Soliciting people's opinion on your name selection does provide you with great input. However everyone has an opinion, and what are the chances of Uncle Sally and Neighbor John agreeing on a name selection for YOUR business?

It's better to be selective in who you ask. Select a few key decision makers involved in your business or a handful of potential customers. They will be your best sounding board.

Domain Names and the Internet

The Internet adds an interesting wrinkle to the business name game. If you plan on having any type of website or presence on the Internet, you will have other considerations to think about when choosing a name. Mainly that you are able to secure a matching (or as close as possible) domain name to your business name in order for people to locate you.

What puts a wrench into this process are recent estimates that state more than 98% of the words listed in a standard English dictionary have been registered as domain names. No wonder so many businesses are turning to coined phrases and other unique names to describe their businesses.

Therefore, it's not surprising that some entrepreneurs that plan on doing a majority of their business online tend to select a name for their business based on domain name availability. Eastbiz president, John Vanhara chose to follow this path. He explains, "I don't want to be building a great brand name and am then unable to secure the domain name. That would be like promoting something and giving that advantage to someone else."

Instead, when John is setting up a new business, he checks domain availability using a tool called the Name Spinner (www.whois.sc/name-spinner/). The Spinner allows you to search by specific keyword to see what domain names are available for purchase. John also likes the Spinner because "it is good inspiration for company names".

Legal Considerations

We've briefly covered the marketing and linguistics considerations for choosing a name, and should now address legal issues. Two primary areas of concerns that you need to also be aware of are Trademarking and State naming guidelines.

Trademark

Trademarking is either *"a word, phrase, symbol or design, or combination of words, phrases, symbols or designs, which identifies and distinguishes the source of the goods or services of one party from those of others"*. A Service Mark is the same thing except it relates to the source of a service rather than a product. As of 2004, the U.S. Patent and Trademark Office reported the number of registered trademarks at 189,536. It continues to increase each year.

A federal trademark can protect your business "name". You can also trademark your name on a State level; however this only allows limited benefits and should only be considered if federal registration is not possible.

You do not have to register a trademark (or service mark) in order for you to attain status as a trademark because common law recognizes unregistered trademarks. For example, if you have a particularly distinctive trademark that you have been using in your business transaction, then you probably already have a common law trademark. However, don't underestimate the benefits of formally registering your trademark.

Formal trademark registration presumes that you are the owner of the mark for the goods and services specifically registered. Furthermore, you are entitled to use the mark on a

nationwide scale. Without federal registration, you would have to prove this in a court of law should a dispute arise.

Trademarking typically requires an experienced attorney to file; however many people have filed their own trademarking applications. For more information on the trademark process, visit the U.S. Patent and Trademark Office at www.uspto.gov/main/trademarks.htm. The U.S. Patent site also allows you to check if a particular name or service mark has already been registered by someone else. Trademark infringement lawsuits can cost big bucks so it's best to be safe and do a thorough check before proceeding with any name.

State Naming Guidelines

If you are planning to operate under a fictitious name, or operate your business as anything other than a sole proprietorship, you need to review your State naming guidelines as well. Each State has a set of rules and regulations for naming a business. Depending on which State you decide to incorporate your business; you should check those specific legal restrictions before proceeding. Some states may simply have a preference for whether you use upper or lower case letters or may object to the use of certain words in your name such as “federal”, “national”, or “U.S.”.

The general rule is that all corporation names have to be unique. No more than one corporation name per state. Additionally, if you are forming a corporation, most States will require that you list some type of designator at the end of the business name such as “Corp.”, “Inc.”, “Ltd.”, or “Co.”. Therefore, err on the side of caution and contact your Secretary of State and County administrative office to determine what restrictions on fictitious and business names may exist.

Thanks to the advent of the Internet, all States maintain their own websites. Many allow you to search their Business Name database at no charge. A few may require a fee for searching that database for you. Additionally, expect to pay a fee for filing your business name with the State. Fees vary from State to State. If you are incorporating in Nevada, Incparadise.com provides a free link to the Nevada Business Name Registry at www.incparadise.com/name-search/.

A few other important things to remember about registering your business name with the State. You will not be able to open a bank account for your business unless you have registered with the State. Also remember that registering your name does not give you exclusive rights to that name. Don't be surprised if you find another A-1 Computer Repair doing business in the county or State neighboring yours.

Conclusion

There are obvious benefits to finding the right name for your business and registering it. Granted you can always change your name if circumstances change. However, keep in mind that you will also bear additional costs associated with having to change your Articles of Incorporation, advertising and marketing materials, your stationary and business cards.

Author and expert, Rhonda Abrams put selecting a business name into perspective. She reminds business owners that great names can not compensate for the lack of a good business model or adequate financing. A name does not guarantee success.