

The *name* is the *game*

How do you differentiate yourself to help create sustainable success when your kilowatt-hours or therms are indistinguishable from the competition's? Branding is the first step

To be profitable competitors, global energy companies must create a brand name that is instantly recognizable worldwide by customers, investors, and the media. This name should not only distinguish the company from its competitors, but also convey a positive message about the firm. Good names call to mind such qualities as vitality, innovation, dependability, and trustworthiness.

BY DAVID CRAWLEY

portrayal of its brand—is important because business-to-business and consumer research indicates that people's relationships to brands are much like their relationships to other people. Brand names are monikers that personify a company or product, and in the process make implicit promises about the firm's values and the way it does business and treats customers.

Among the many types of name strategies, energy companies have three basic approaches to choose from. Feature- and benefit-oriented names generally describe the attributes of the company in a positive way. By

contrast, functional names describe what an energy company sells. However, their "utility" feel rarely inspires a sense of innovation. This is important, because Wall Street has realized that while steady dividends can be reaped from investments in traditional utilities, even greater returns can be made from investments in innovative companies.

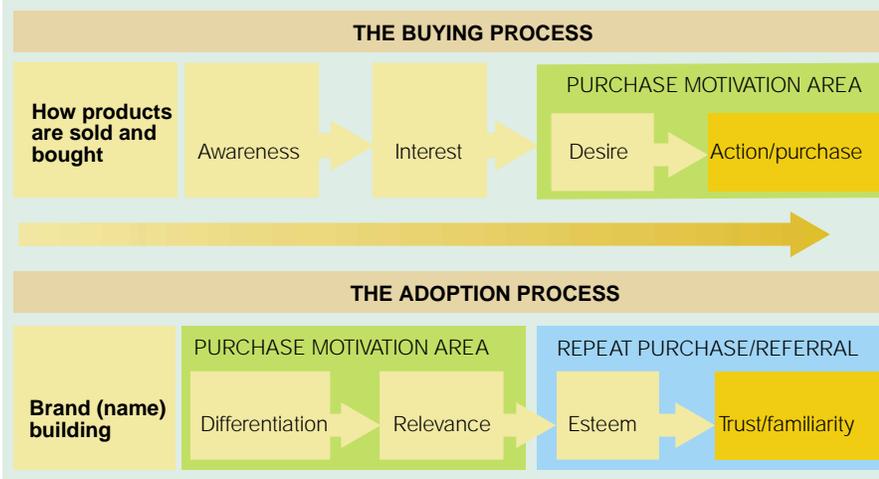
A good example of a company with an innovative and well-managed brand name is Houston-based Enron Corp., whose stock trades at multiples far above those of most of its peers—even though many of them sell identical products. An example of a company that has shed its functional name is Houston Industries, Inc., the parent of Houston Lighting & Power Co. Since it became Reliant Energy, it has expanded its operations and introduced its brand in Europe and other areas of the world. "[Our new name] facilitates our ability to cross-sell products and services and to enter new markets," remarks Reliant's CEO Don Johnson.

A third choice for energy companies in search of a new identity is to go the "initials" route. But while initials are simple and trade on the entrepreneurial trappings of the new economy, they generally fail to convey a sense of personality or progressiveness, and they hardly generate an emotional response. It costs a lot of money to make an initial-based company seem

What's in a brand?

A company's name—which the company hopes will evolve into a valid

The buying of products and the adoption of brands



An international brand research program encompassing over 30 countries conducted by the advertising giant Young & Rubicam, Inc. found that brands mature through a four-stage process. Products are purchased first on awareness, which is a function of advertising, public relations, and availability. Interest and desire are engendered by its benefits and value proposition—supported by price. Brand loyalty is first established by how the company/product are relevant to the market and differ from the competition. Brand adoption comes into play only after the buyer/endorser begins to identify with, esteem, and trust the brand. If managed correctly, at this stage of the brand adoption process, purchasing decision-makers and influencers will do more than refer the product—they will become 'brand apostles'

personable or to refresh an initial-based image—something IBM learned in the late 1990s, when it discovered it needed to refresh its brand to keep pace in the Internet-based economy.

Same name, different meanings

Where do good names and brands come from? To answer this question, it must be realized that there's nothing simple about creating the "right" name. To be sure, there are legends that tell of executives coming up with the perfect name for their company by scribbling on a napkin over some beers at a bar. But most of these stories are apocryphal. In fact, most executives would never consider using an untested name to represent their company's millions or billions of dollars of net worth and equity worldwide. The reason why is that name could mean something entirely different in other languages and cultures.

An example of such a faux pas occurred several decades ago, when General Motors dubbed its new compact car line Nova. But when GM tried to market the Nova in Latin America, it found that for customers there, the name hardly brought to mind a bright star; in Spanish, "Nova" is a homonym for "it doesn't go." More recently, ASCO, a Scottish based international offshore distribution and logistics services company seeking to expand internationally, discovered that its name means "something unsavory" in Portuguese-speaking Brazil. As a result, ASCO changed its name to BRASCO to keep the rhythm, value, and integrity of its master brand name intact while still supporting the need to unify its global resources while still identifying with its market-specific operations in Brazil.

Is changing your name worth it?

The decision to change a global energy company's name shouldn't be taken lightly, because it could cost more than a million dollars (see box). Is it worth it? The answer appears to be yes, judging from the number of ener-

Simple name, complicated process

Creating a new name for a global company is usually a complicated—and expensive—process. It can cost millions of dollars and take more than a year to complete. The process itself has become somewhat of an art form, practiced by international marketing communications agencies.

The process begins with a review of the energy company's vision, purpose, and future as it relates to its products and to the expectations of investors and customers. After this initial review, many companies conduct quantitative research by polling employees, customers, and potential customers worldwide. The object of this research is a careful assessment of the competition, potential evolution of the industry, and purchase motivation factors. Only after this research has been undertaken should a company embark on the actual exercise of creating a new name by coming up with and considering options.

After the name generation process is completed, a company's next step is to choose the best five or seven names and, once again, research them to ascertain their international relationships and connotations. If all of the names researched are discovered to be inappropriate, then it's back to the name creation process.

gy companies renaming themselves today. Executives say the benefits of a new brand name extend far beyond a potential increase in customer loyalty. Employees seem to be invigorated by the new corporate identity, and investors have proved willing to reward companies that come up with a good new name identity.

A good name, crafted with care and purpose, raises the expectations of customers and investors and motivates them to positive action, consideration, and adoption (figure). Because it calls to mind innovation, a brand defines an energy company's

Once a name has been chosen, the process moves to analyzing all of the communications vehicles where the name will be used. The communications audit includes a review of, but certainly is not limited to, letterhead, business cards, envelopes, fax pages, Web site, uniforms, hats, vehicles, equipment, site signage, lobby designs, etc. The messaging review will establish the platform for the visual identity of the new name. After all this is done, qualitative research among the company's target audiences should be initiated as a last-minute reality check to further validate the new name and corporate identity designs.

Ultimately, a decision must be made about how an international energy company will roll out its new name identity. Name change introductions usually involve public relations, advertising, road shows, trade shows, e-marketing, direct mail, client services, human relations, and investor relations. The cost of actually changing out all of the existing old name signage and international trademarks can be expensive. Just getting the estimates for this phase of the process can be expensive. As you might expect, the design firm that executes a successful name change for a global energy company will be that company's friend for life.

value in a way that a feature- or benefit-oriented or functional name cannot. In the competitive global energy game of chess, the opening gambit is the first engagement with the marketplace, and making a good first impression—with a good name/brand is crucial. ■

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