5th International Conference on Mass Customization and Personalization in Central Europe (MCP-CE 2012)

Customer Co-Creation in Central Europe
September 19-21, 2012, Novi Sad, Serbia

TOWARDS A CLASSIFICATION OF BRAND NAMES IN MASS CUSTOMIZATION

Dominik Walcher, Evalotte Lindgens, Eva Sporrer, Frank T. Piller
Salzburg University of Applied Science, Austria, RWTH Aachen University, Germany

Abstract: *The importance of choosing the "right" brand name is well known in literature as well as in practice - at least for mass producers. But while the general phenomenon of mass customization gains more and more attention not only with regard to heterogeneous customers but also within research, aspects of the companies' communication towards the consumer and specifically the positioning of the brand lack fundamental research. Within the MC 500 Study we collected and analyzed 500 brand names of mass customization companies worldwide to get a first profound overview of the brand names' landscape that will later on serve as basis for deeper research. While expecting mostly brand names consisting of a combination of "my" and the product's name (as "mymuesli" or "mytea") a profound analysis revealed four different categories of brand names that reflect different approaches towards the concept of brand names for mass customization companies.*

Key Words: ***Brand Names, Categorization, Mass Customization***

1. INTRODUCTION

While the basic idea of mass customization – profiting from people's differences by enabling the creation of goods and services that best serve individual customers' personal needs with near mass production efficiency - has been described for quite some time, it is only now that we can observe a larger scale and scope of implementations in business. Forrester Research recently concluded that finally the time has come for a large scale implementation of mass customization.[17] Nonetheless purchasing customized goods - especially in a B2C E-Commerce setting – is still linked to a strong feeling of uncertainty, due to the fact, that a real "touch-and-feel" experience is missing and the provider quite often is a startup without long lasting reputation.[14] As literature on brand management illustrates branding and especially brand names are well suited to overcome this limitation acting as quality signals.[3] Bao, Shao and Rivers state that "[…] a brand's value rests on its ability to reduce consumer's uncertainty about product performance, the more the better."[1]

1.1 Aim of the study

Astonishingly systematic research on branding in the realm of mass customization is rare. To the authors' knowledge, Pingjun was the only author that took a closer look at brand names linked to mass customization. He described the impact of brand names in decision making during a customization process.[13] The research goal of this study will be to discover structures of brand names within the context of mass customization. At first glance customization companies tend to use a combination of "my" and the product's name (as "mymuesli" or "miadidas"). The objective of our research is to analyze this observation and to develop a classification system of MC brand names. This study was done as preliminary study for further research to finally analyze the effect of different brand name categories on consumer behavior. Our categorization will be the necessary basis for this following research.

1.2 Methodical Approach

The study "The Customization 500 – an international benchmark study on Mass Customization and Personalization in Consumer E-Commerce" serves as basis for this work. In the study 500 established as well as start-up companies, offering online customizable and purchasable products throughout the whole consumer goods industry, are analyzed. [14]

The research is divided into two parts: In the first part the theoretical background of branding and brand names is addressed. Based on this a categorization system for brand names in the context of mass customization is developed. The names of all 500 companies [18] analyzed in the international benchmark study are classified by three independent experts with the help of this structuring survey in the second part of the study. Finally, limitations and an outlook on further research will be given.

2. BRANDING AND BRAND NAMES

2.1 Importance of Branding

Branding has been around for centuries. It has been used to distinguish the goods of one producer from those of another.[15] The word 'brand' comes from *brandr,* which is an Old Norse word that means 'to burn' and has its origin in farming.[15] Branding is now popular within all branches and parts of commerce. This is especially the case within saturated markets where products of the same quality can be replaced very easily. Branding has an important value for differentiation from competitors.[3] According to Esch: "The own product should be highlighted

to stick out of a crowd of similar and replaceable products to obtain a characteristic, which enables a clear classification of the product to the brand."[3] A brand is a "name, term, sign, symbol, or design, or a combination of them, intended to identify the goods […] of one seller […] and to differentiate them from those of competition."[8] The branding process comprises all elements of the marketing mix, beginning with the product itself and also including pricing policy, distribution, packaging, brand name, communication and the whole design and presentation of the brand.[3] Esch illustrates that branding is vital for brand development, which is characterized by branding itself and brand communication.[3]

Marketing and branding are essential for building a successful business.[16] It is common knowledge that the brand image is a strong key in customer's decision process and "(…) that well-known brand names would be rather selected than unknown names"[2] Customers are willing to pay more for brand names.[3] Thus an elaborate branding may create equity for the product, otherwise, the product cannot be distinguished from its competitors and will remain on the shelf unless its price is particularly competitive.[16] "Furthermore, brand reputation can serve as a proxy for quality when consumers have insufficient information about a product's quality."[1] Considering that, owing to communication technologies, consumers are becoming more critical. Thus they will not pay more for a name if they are not sure that they are getting what they want.[13]

2.2 Importance of Brand Names

We are confronted with about 300 brand names every day. Some brand names are so strongly embedded that we hardly recognize that we use brand names instead the correct product name. „The selection of the proper brand name is one of the most vital marketing decisions an organization will make because it is typically the centerpiece of introductory marketing programs."[1,6,11] It is also the most difficult brand element to change due to its close tie to the product in the minds of consumers.[7,9] Well established brand names can gain an incredibly high company value. PJR Nabisco was purchased for $25 billion, Philip Morris bought Kraft for $13 billion and Coca-Cola was estimated to be worth $36 billion.[3] There are three reasons responsible for high brand equity. Firstly, a product launch is associated with high costs. Secondly, markets are saturated for the most part. Only brand names with the ability to stick out will be recognized. Thirdly, successful brands have a longer life expectancy and will lead to higher turnovers.[3] Only 14 percent of the American companies considered purchasing the brand name of another company.[10] The brand name plays an important role as the basis for the brand image: "While the image associated with a brand name can be built with advertising […] a carefully created and chosen name can bring […] immediate value to the brand."[10] The naming process plays a vital role. The aim has to be clear from the beginning to help to differentiate the product, to select the proper market segment and to generate a characteristic image.[3] As it is a creative process, people with different backgrounds, for instance marketing specialists, designers, developers of products and clients, should be part of the team.[3]

Brand names appear in a variety of different strategies. In some cases the company name is used for all products or retailers use their store name, and in other cases new products have no relevance to the company name.[8] A brand name should have the following characteristics "keeping it simple, making it easy to pronounce, making it memorable, gaining legal clearance, making sure that there are no negative connotations (in any language), being distinctive."[4] "A brand name should make use of the repetitive sounds generated by alliteration, assonance, consonance, rhyme and rhythm."[1] Kohli and LaBahn recommend a brand name should "[…] include connotations associated with the brand name, relevance to the product, memorability, and the ability of the brand name to offer a distinctive image over competing products."[10]

2.3. Classification of Brand Names

Companies have increasingly come to realize that selecting a proper brand name is one of the most important marketing decisions. The brand name is the centerpiece of marketing programs and can gain incredibly high company value. Actually, quite a few classification models for brand names exist, which differ for the most part only marginally. Representative, a model adapted from Homburg and Krohmer is given to illustrate the most crucial dimensions:[5]

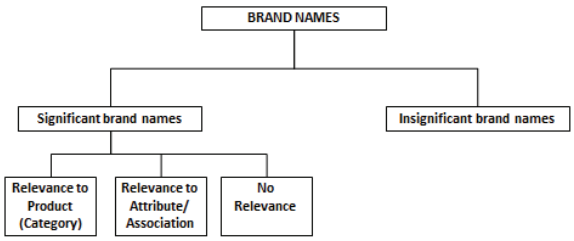

Figure 1: *Typology of Brand Names*

First of all brand names can be distributed in names with a meaning (=significant brand names), such as Apple, and names without a concrete meaning (=insignificant brand names), such as Esso. Insignificant brand names are in most cases a few letters and numbers just strung together. These meaningless names can evoke strong associations through their sound effects.[3] When advertising is done correctly, an insignificant name can enhance relevance to the category through marketing communication.[1]

Significant brand names can have a direct reference to a product or (product) category, such as Kitchen Aid. These names convey descriptive information, help to build strong links to the category and create a natural association to the product or service, which aids brand recall and leads to a positive evaluation of the brand name.[8,1] Significant brand names however are less distinctive and run the risk of being replaced easily.[3] Besides, significant brand names can be found, which have an association or connotation to an attribute or benefit in order to describe the positioning of the product, such as Apple, Timberland or Youtube.[8] The brand name appears as a shortened form of communication, where the performance of the product is critical for the

consumer.[1] Keller, Heckler and Houston described this effect as the suggestiveness of a brand name. They argue that "a suggestive brand name can be defined as a brand name that conveys relevant attribute or benefit information in a particular product context."[7] According to them, a suggestive brand name should fulfill two functions. First the customer should be able to conclude certain attributes and benefits. Second, a suggestive brand name should enhance marketing communication efforts. They argue that "[…] compared to non-suggestive brand names, suggestive brand names lead to greater recall of advertised benefit claims that are consistent in meaning, but lower recall of new unrelated benefit claims."[7] In practice more brand names just appear to a certain extent suggestive but do not convey a concrete attribute or benefit.[1] Ideally, connotations conveyed through product should be coherent with connotations evoked by the brand name.[1] According to Mehrabian and de Wetter "[…] differences between the ideal set of emotional connotations for a product (e.g., pleasure, arousal, dominance) and the connotations actually implied by a given product name could significantly predict product preferences."[12]

Significant brand names without any relevance to the product/category or to any attribute, such as YES, do not contribute to brand positioning, but are be applied to create a very unique and positive image.[3]

3. EMPIRICAL PART

3.1. Development of the structuring survey

Based on the described classification model we developed a structuring survey for brand names in the field of mass customization. The dimensions (1) relevance to product / category and (2) relevance to attribute / association are taken from the original model. Due to the fact customization is the focus of our analysis we separated the aspect (3) relevance to mass customization from the other generic attributes / associations and built a specific dimension. All dimensions can be answered with yes/no. In doing so, we also cover the category (insignificant) brand names with no relevance (i.e. all three dimensions = no). Figure 2 shows the structuring tool.

Relevance to	Yes	No
Mass Customization		
Product / Category		
Attribute / Association		

Figure 2: *Categorization options*

3.2 Method

Three experts were asked to independently evaluate the 500 brand names of the study "The Customization 500" with the help of the structuring survey. The evaluation itself took about 19 hours for every expert to complete. With the help of a statistical matching process executed in SPSS the evaluations were tested in regard to accordance. It showed that 27% of all evaluations differed. These 135 brand names were evaluated again independently by the three experts and tested again. This time only 6% of the ratings differed. These final 30 brand names were discussed within a workshop of the three experts and collectively evaluated.

3.3. Results

All 500 names can be assigned to one of these four main categories: (1) MC-Indicators, (2) Product/Category-Indicators, (3) Attribute/Association-Indicators and (4) Standalone-Names.

The category MC-Indicators can be divided into the five subcategories (1) pure MC-Indicators, with brand names such as Selve, Customate etc., (2) MC-Indicators com-bined with product/category indication, such as MyMuesli, ChoiceShirt etc., (3) MC-Indicators combined with attribute/association indication, such as Goodchoice, Personalizedboutique etc., (4) MC-Indicators combined with both product/category indication and attribute/association indication, such MyFineCotton, and (5) MC-Indicators combined with a standalone name, such as MiAdidas.

Cluster one contains the most number of cases. In this cluster all brand names refer to Mass Customization. As the possibility to individualize the product is seen as the unique selling proposition of the companies, this seems sparse.

There are pure names as well as combinations with prod-uct or product category, any attribute/association/positioning, or both. On closer examination of the results it can be found that the possessive adjective my was by far the most frequently applied (e.g. My Monopoly or My Foto Wall) followed by you(r) (e.g. Your Playing Cards) and customize (e.g. Custom Panties) when indicating mass customization. Personal(ized) and design were also used quite often, as in Personalized Golfballs and Design a Watch, as well as mix and tailor (e.g. Müsli Mixer and Tailor Store).

It appeared that brand names doubly presented hints to Mass Customization like My Tea Mix with my and mix or Design Your Wedding Rings with design and your but especially when used in combination with tailor e.g. You Tailor, My Tailor and iTailor. It is noticeable that verbs such as 'select' and 'create' were rarely used for trans-mitting mass customization, as was the noun choice. Finally, it can be maintained that brand names which indicate mass customization are compound of more than one word, show mostly relevance to product category and indeed relevance to mass customization.

The category Product/Category-Indicators can be divided into the two subcategories (1) pure Product/Category-Indicators, such as 123skins, and (2) Product/Category-Indicators combined with attribute/association indication, such as Optiprint, Curly Cuties etc.

Brand names in cluster two consist of more than one word and showe relevance to product category. None of these names have further connotation and neither indicate relevance to Mass Customization nor show linguistic characteristics. Brand names in this cluster include Baby Strampler, Bottlewraps, Fotopuzzle, or Kuchen im Glas. Besides brand names in cluster three the names in cluster four show the least distinctness from mass production company names and thus may be less effective. As Esch states, that significant brand names that show

direct relevance to the product run the risk of being replaced easily.

Brand names in cluster two can indicate a further conno-tation to an attribute/ association or positioning but do not convey any link to Mass Customization.
Names in this cluster can provide information about their product category, as in 'Krassolade' or 'Wandworte', where it is clear that the former sells chocolate and the latter has something to do with wall decoration. But in some cases the associations to product category indicate something different such as 'Timbuk2', which evokes thoughts of holidays and not handbags or 'Oelkrug' who sell bespoke shirts and not customized oil. Based on the literature these names may be the most effective if they show insignificance but indicate a relevance to the product category, which makes them not as easy to be replaced like brand names with direct relevance to the product. Additionally, these names show linguistic characteristics which may enhance recall and recognition.
Brand names, which fall into the category Attribute/Association-Indicators are – for instance - Animaxx, Revolution, Beyond, Indochino, Kidlandia etc.

Brand names in this cluster have solely a reference to an attribute, association or a positioning as Animaxx, Revo-lution or Kidlandia for example. As they have no refer-ence to Mass Customization nor a reference to a product category, it is difficult for the consumer to realize the offer of the company. This might be the reason why this cluster is the smallest one.

As in cluster 1 a closer look at the examination reveals that almost every brand name that describes an attribute contains an adjective, as in 'memorable gifts', 'proper cloth' or 'smart furniture'. Results also indicate that a vast majority of these adjectives describe a product fea-ture such as 'easy tissue' or 'proper cloth'. There are some exceptions, as in 'speedy signs' or 'fotopost 24', which describes a service. Most of the attribute describing words convey positive associations, such as 'smart furniture', or 'memorable gifts' in contrast to 'wacky mats' or 'dirty shirts'.

Brand name with no relevance to MC nor to Product/Category nor to Attribute/Association are either neologisms, such as Delusha, Gemvara, Qunabi, Louxis etc., or (family) names of the founder, such as , Dolzer, Baur, Freitag etc.

Cluster four is the only cluster where brand names only consist of one word. This cluster is the only one in which none of the brand names indicate further connotation neither. They neither show relevance to Mass Customi-zation nor have linguistic characteristics. Brand names in cluster four therefore are the least distinctive. As in clus-ter three, names made up of one word do not reveal any information about what these companies are selling. Several of these names present themselves as proper names, such as Brunswick or Dolzer and yet others are named after a person, such as Jan Ullrich or Jonathan Adler.

A frequency analysis shows following distribution: MC-Indicators (30%), Product/Category-Indicators (25%), Attribute/Association-Indicators (20%) and Standalone-Names (25%). Figure 3 summarizes the findings.

Category / Quantity	Subcategory / Examples
MC-Indicators 30%	**Pure:** Selve, Customate, Laudivini
	Combination with Product/Category: Mymuesli, ChoiceShirt
	Combination with Attribute/Association: Goodchoice, Personalizedboutique
	Combination with both: Myfinecotton
	Combination with standalone name: MiAdidas
Product/Category-Indicators 25%	**Pure:** 123skins
	Combination with Attribute/Association: Optiprint, Curly Cuties
Attribute/Association-Indicators 20%	**Pure:** Animaxx, Revolution, Beyond, Indochino, Kidlandia
Standalone-Names 25%	**Pure:** Delusha, Gemvara, Qunabi, Louxis, Dolzer, Baur, Freitag

Figure 3: *Different Clusters*

4. CONCLUSION

Addressing the initial observation that brand names in the field of mass customization are dominated by prefixes, such as "my" and "your", it can be said, that MC-Indicators are the majority (30%), but only with a small advance to Product/Category-Indicators (25%) or Standalone-Names (25%).

Brand names which indicate relevance to Mass Customization have mostly relevance to product category. Likewise the results reveal that about half of the words which imply Mass Customization are possessive adjectives (my and your), where my is by far most often used.

Brand names found in cluster two refer to a product cat-egory and often indicate an association or a connotation to an attribute or benefit. The majority of these names describes a product feature and conveys a positive or a neutral association. Brand names in cluster three and four show the least characteristics and do not offer any information on what the company is selling.

The results give a comprehensive insight into how brand names of mass customization are compounds but do not display which one is the most successful combination. The study reveals which words indicate mass customization but it is not proven whether the consumer has the same perception and which ones are the most successful. Therefore this study should be seen as preliminary basis on which deeper research will be conducted. We give useful insights in current practice and will follow a two sided approach afterwards: on the one hand, we will evaluate data of the MC 500 Study with regard to the intention that companies had when choosing their brand names. On the other hand, we will test the perception of consumers and the effect on them on the basis of the beforehand developed categories. In line with this we are working on the exposure of a second order construct that will contribute to current research. A random selection of ten to twenty of the 500 brand names will be given to participants by random rotation. Participants shall evaluate functional aspects (as ease of comprehension, distinction, recognition and pronunciation) as well as affective aspects (as reliability, creativity and positive

association). Furthermore we will test for Purchase Intention, Brand Attitude and Recommendation Intention.

Out of this, we will identify die important driver of a brand name category that will be transferred to practice in terms of practical implications.

We have to admit that there were only three experts evaluating the brand names – of course, this number could be increased. Furthermore we only checked the classification of the brand names, if experts categorized a brand name differently. In principle, it could also happen that all three experts group a brand name wrongly.

The importance of choosing the "right" brand name is beyond controversy; if brand names are already chosen, you cannot easily change them. But our research does not only contribute to the challenge of choosing the optimal name, but also to the development of the whole brand – also with regard to the everyday communication with the consumer, as our results (which indicators are successful) will hopefully be transferable to the overall marketing strategy of the company.

5. REFERENCES

[1]Y.Bao, A.T.Shao, D.Rivers, "Creating New Brand Names: Effects of Relevance, Connotation, and Pronunciation", Journal of Advertising Research, 148-162, 2008

[2]C.Chandra, A.Kamrani, "*Mass Customization: A Supply Chain Approach*", New York, Kluwer Academic, Plenum Publishers, 2004

[3]F.R.Esch, "*Moderne Markenführung: Grundlagen – Innovative Ansätze – Praktische Umsetzungen*", Wiesbaden, Betriebswirtschaftlicher Verlag Dr. Th. Gabler GmbH, 2001

[4]K.H.Fox, "Brand Management: Brand Naming Challenges in the New Millennium", *The Journal of Business Strategy*, 23, 6, 2002

[5]C. Homburg, H. Krohmer, *„Marketingmanagement"*, 3. Auflage, Wiesbaden, Gabler GWV Fachverlage GmbH, 2009

[6]K.Keller, "Conceptualizing, Measuring and Managing Customer-Based Brand Equity", *Journal of Marketing*, 57, 1, 1-22, 1993

[7]K.Keller, S.E.Heckler, M.J.Houston, "The Effects of Brand Name Suggestiveness on Advertising Recall", *Journal of Marketing*, 62, 1, 48-57, 1998;

[8]K.Keller, "*Strategic Brand Management*", 2nd ed., Upper Saddle River, NJ: Prentice Hall, 2003, p. 3

[9]R.Klink, "Creating Meaningful New Brand Names: A Study Of Semantics And Sound Symbolism", *Journal of Marketing Theory & Practice*; Vol. 9 Issue 2, p27-34, 2001

[10]C.Kohli, D.W.LaBahn, "Observations: Creating Effective Brand Names: A study of the Naming Process", *Journal of Advertising Research*, January/February 1997

[11]Y.H.Lee, A.Kim Soon, "Brand Name Suggestiveness: A Chinese Language Perspective", *International Journal of Research in Marketing*, 20, 4, 323-35, 2003

[12]A.Mehrabian, R.De Wetter, "Experimental Test of an Emotion-Based Approach to Fitting Brand Names to Products", *Journal of Applied Psychology*, 72, 1, 125-30, 1987

[13]J.Pingjun, "The role of brand name in customization: a search vs experience perspective", *Journal of Product & Brand Management*, 13 (2), 73-83, 2004

[14]D.Walcher, F.T.Piller, "*The Customization 500*", 1st Edition, Lulu Press, 2011. Online access: http://www.mc-500.com/

[15]J.Wiley, "*World's Greatest Brands: An International Review*", New York, Interbrand Group, 1992

[16]L.Wong, "*Brand Think: a guide to branding*", Canada, Trafford Publishing, 2005, p. 28

[17]FORRESTER Study. J.P.Gownder, S.Rotman Epps, A.E. Corbett, C.A. Doty, T. Schadler, J.L. McQuivey, „Mass Customization is (finally) the future of products – A Social Computing Report", 2011.

[18]A list of all brand names can be found here: http://mass-customization.de/mc500companies.html

CORRESPONDENCE

Dr. Dominik Walcher, Professor
Salzburg University of Applied Science
School of Design and Product Management,
Campus Kuchl, Markt 136a
5431 Kuchl, Austria
dominik.walcher@fh-salzburg.ac.at

Evalotte Lindgens, Assistant
RWTH Aachen University
Technology and Innovation Management Group,
Kackertstraße 7
52072 Aachen, Germany
lindgens@tim.rwth-aachen.de

Eva Sporrer
Salzburg University of Applied Science
School of Design and Product Management,
Campus Kuchl, Markt 136a
5431 Kuchl, Austria
esporrer.dpm-b2009@fh-salzburg.ac.at

Dr. Frank T. Piller, Professor
RWTH Aachen University
Technology and Innovation Management Group,
Kackertstraße 7
52072 Aachen, Germany
piller@tim.rwth-aachen.de