Chapter IV

The Naming of Corporate eBrands

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ABSTRACT

This chapter examines whether classical brand naming concepts are sustainable for entrepreneurial firms in the Net Economy. A prior study of Kohli and LaBahn (1997) covers the formal brand naming process and gives insights into brand name objectives and criteria. To follow the research purpose, their findings have been adapted to entrepreneurial firms in the Net Economy. Three hundred nineteen e-entrepreneurs located in German business incubators were analyzed for their brand naming process. The availability of an appropriate domain name is found to be a basic driver for deciding on a brand name. The domain name influences the course of action during the naming process. Two groups were found that significantly differ in proceeding with the naming process. One group of e-entrepreneurs follows the traditional process of Kohli and LaBahn (1997), whereas the other group follows a new approach giving more emphasis on the domain name. Here, the process shows to be iterative in nature instead of a step by step procedure.

INTRODUCTION

Constant technology developments allow companies to create innovative business ideas (Kollmann, 2006), which accelerate movements especially on technology-driven electronic markets. This dynamic environment makes the development of strong (electronic) brands essential (Ibeh, Luo & Dinnie 2005). Unstable market conditions call for stability in branding since a strong brand prospers from sustained core brand values. In this respect, e-branding encompasses all initiatives and activities of building and managing an online brand with its specific concepts, strategies and designs related to the context of the Net Economy. The rising importance of online branding or e-branding
is primarily rooted in the general uncertainty and information overload online consumers attribute to online shopping. Strong e-brands create trust and give orientation during decision making at online transactions. This is the reason why more and more companies increase the efforts in online branding, especially those operating in the area of e-commerce, where trust is an essential prerequisite of customer loyalty. The increasing amount of available information on the Internet leads on the one hand to more transparency of electronic markets and empowerment of customers, which potentially results in decreasing loyalty (Ibeh, Luo, & Dinnie, 2005). Therefore, loyalty has to be regained by a strong e-brand. On the other hand, this information overload also leads to uncertainty of customers to handle vast amounts of information properly and potentially results in increased loyalty to trustful brands. Strong e-brands not only create trust, they also maintain trust.

Different from traditional brands, e-brands face the challenge of creating customer value only by means of the Internet. This comprises restrictions for e-branding in form of limited media usage (only Internet) but provides also major opportunities regarding the multiple facets of electronic networks (interactivity/individuality). Although e-branding is just about to arise from a recent practical phenomenon to a profound, theory-grounded research subject, research about e-branding is not extensive yet. In order to advance research on e-branding, traditional branding concepts need to be analysed with regard to their appropriateness in the Net Economy, before new concepts can be developed. Building a brand commences with defining and developing formal aspects of a brand, like name, logo, design, symbol, or other attributes that identify a product and already visually separate it from competitors (Keller, 2003). In developing the formal brand identity, the brand name is the first element that needs to be selected as it is the basic fundament of all branding activities. The name is the most used brand information that is communicated to customers, employees, and other stakeholders of the company, because it is the component of a brand which can be spoken or verbalized (Anderson & Bennett, 1988). The selection of a brand name therefore becomes a crucial aspect of the early branding process (Turley & Moore, 1995).

**BRAND NAMES**

According to Anderson and Bennett (1988) a brand is a name, term, design, symbol, or any other feature that identifies one seller’s good or service as distinct from those of other sellers. The need for differentiation becomes particularly important when considering the increasing competitiveness in consumer markets. In these markets, functional values are not sufficient anymore to distinguish a company’s products from others. Rather, emotional aspects that add value to the customer’s life are able to make the difference and to legitimize a price premium. Building brand equity is one form for companies to set its own brand apart from others by complementing functional values with cognitive and emotional brand traits in order to give meaning to the customer’s life. Duncan states that a brand is the “perception of an integrated bundle of information and experiences that distinguishes a company and its products from competition” (Duncan, 2002, p.13). Still, a key of creating a brand is the ability to choose a name, logo, symbol, or other attributes that identify a product and already visually separate it from competitors (Keller, 2003). In developing the formal brand identity, the brand name is the first element that needs to be selected as it is the basic fundament of all branding activities. The name is the most used brand information that is communicated to customers, employees, and other stakeholders of the company, because it is the component of a brand which can be spoken or verbalized (Anderson & Bennett, 1988). The selection of a brand name therefore becomes a crucial aspect of the early branding process (Turley & Moore, 1995).