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# Schumpeter

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## Corporate names

# Verbal identities

Sep 18th 2013, 11:03 BY W.B.



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Our Schumpeter columnist and his colleagues consider business, finance and management, in a blog named after the economist Joseph Schumpeter

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ONE has to go back 213 years to find the first TSB branch in the small parish of Ruthwell, Scotland. The bank, which grew and eventually merged with Lloyds 18 years ago, is now going it alone once again. And it opted to keep its old 19th-century name, which is a curious choice: it runs counter a trend in corporate naming, particularly in banking.

Marketing gurus once aspired to promote a brand as solid, reliable, serious. Yet the present downturn has made "legacy" names less popular than ever. They have lost their credit (in both senses of the word). Post-recession sensitivities have changed what consumers like products to be called, and what they want them to be associated with.

Take Northern Rock, the troubled British bank which was nationalised in early 2008. What appeared quintessentially British—stoic, secure, few risks attached—was revealed, literally overnight, as anything but. For most, legacy bank names now conjure images of the grand exteriors that concealed so many shady and sullied marble corridors within.

"Brands used to be authoritative—they spoke at people," says Paola Norambuena, Executive Director of Verbal Identity for Interbrand North America, a branding consultancy. "Now brands are co-created, they need to be participatory and engaging, and consumers want to be a part of that dialogue." Trust has migrated away from the men in dark suits, and towards the open-collared, tie-loosened alternative (Northern Rock branches now boast the Virgin brand).

Technology has only furthered the shift. Ms Norambuena believes that our idea of trust has evolved: "we now store our most precious data in the cloud, make friends and find lovers online." When handing over the things that matter, some would argue that informal brand names reflect more integrity and honesty than stuffy, impassive legacy ones. What is more, unusual names are less likely to lead to problems with registered trademarks and domain names. They can also be more readily searchable.

Family names and geographical locations are no longer quite so effective either, because they are anchored in the local rather than the global, the physical world rather than the

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digital. Consumers care less about where you are from than what you want to do. Wonga, Zopa, Ally—these are the companies that deal with more and more of our dosh. We may still mistrust them, but there is less of the ill feeling associated with names like Freddie Mac, or Bank of America, or RBS.

Names with a whiff of the establishment seem old hat. Chris West, founder of Verbal Identity, specialists in linguistic branding, says that “they appear to be hankering after a debased culture of corporate magnificence”. Consumers think of them as pompous, self-serving, impersonal. The advantage of calling your business Wonga and GiffGaff lies in the rejection of superfluous formality. We perceive them as younger, more in-touch, less “corporate”. As Mr West concludes, “they sound like words we might hear at the pub”.



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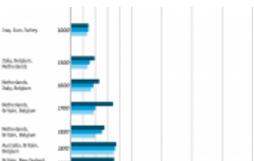
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**dave of the coonties** Sep 19th 2013, 09:46

In our corner of the U.S., banks have gone bust and merged so rapidly that it's hard to keep track. TD Bank (from Toronto, I think) competes against a whole raft of other non-memorable names like PNC. There's a local outfit named Oculina Bank, after a deep-water coral reef.

In health insurance, Florida Blue Cross & Blue Shield finally renamed itself "Florida Blue" for the Obamacare era. In the government sector, the Orlando public bus system is LYNX, and its downtown free bus (with its own lane) is LYMMO.

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**J Richard Nelson** Sep 18th 2013, 14:05

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Corporate names seem to have become a major repository of what Harry Frankfurt, I'm sure, would recognize as purest BS. (I'm too schooled in lower-middle-class gentility actually to type out the word Frankfurt uses freely in his writings.)

The names are detached from their meanings, and use phonemes or irrelevant words (such as Ally) to engender feelings in their customers' or potential customers' minds. At least that's what the consultants aver, and are well paid to provide.

Maybe, to pick on Ally Bank some more, it had little choice. "General Motors Acceptance Corporation" was wrong on at least two counts, and it would be hard to come up with a meaningful, useful name rooted in its history.

But do meaningless names like Accenture and BearingPoint really help? They could represent almost anything, and thus have little salience or memorability. Where I live (Toronto), the Riverdale Hospital (actually a hospital, built along the banks of a river, in a district known since the 19th century as "Riverdale") is now called "Bridgepoint Health". We know it has something to do with health now, but that's a pretty broad identity, and its connection to reality has been severed.

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