

Corporate Identity & Naming Lessons From the Fortune 500

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Premise

The evolution in the names of *Fortune 500* corporate identities provides instructive insights for the branding of companies and for understanding identity effectiveness in our new economy.

Definitions

The names of *Fortune 500* companies can be defined by five categories:

- **Descriptive names** - describe a company in terms of a specific product and/or geography
- **Family names** - are when a family name is used as a company's primary name
- **Image names** - are real words that convey certain qualities, characteristics or imagery
- **Coined names** - are made-up words, or unique combinations of real words that create a name
- **Initials names** - are when initials are used instead of words as the primary company name

Findings

The names of *Fortune 500* companies have changed in major ways over the past 55 years. From 1954 to 2009, the Fortune 500 had:

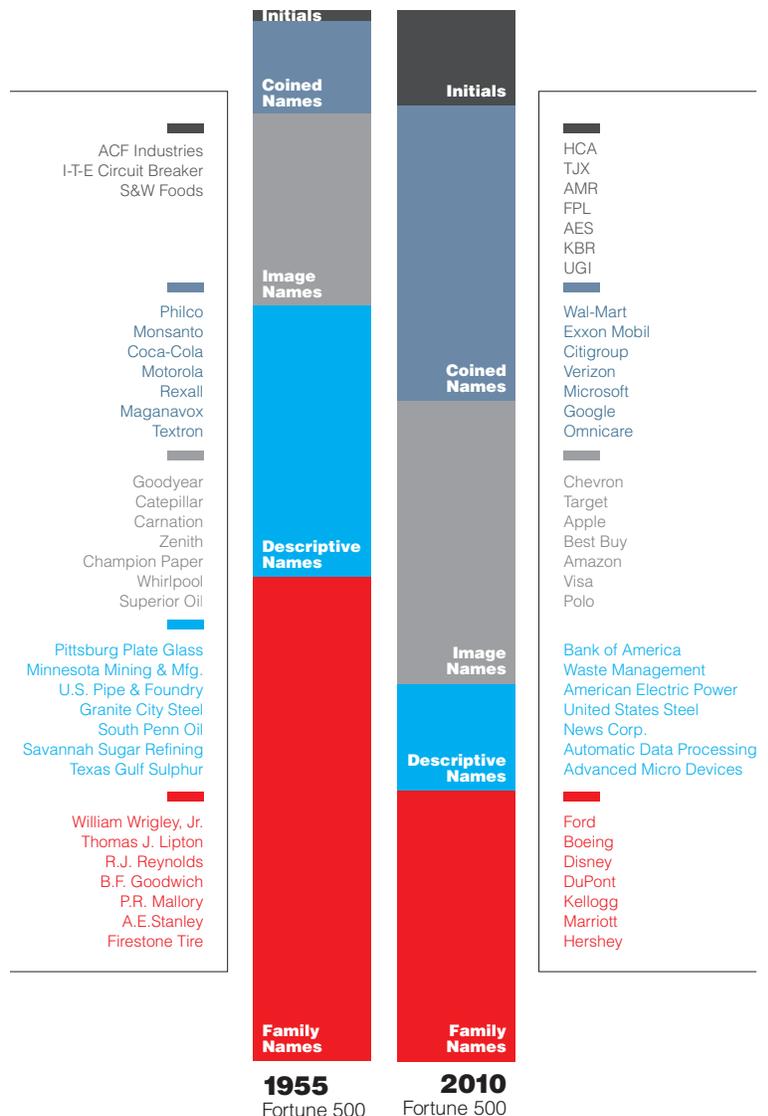
- a 54% decrease in *Descriptive names*.
- a 45% decrease in *Family names*.
- a 14% increase in *Initials names*.
- a 45% increase in *Image names*.
- a 213% increase in *Coined names*.

Analysis

There has been a significant shift away from names that emphasize the companies' location, geographic market or specific product - toward names that convey no location, market or product.

We believe this is because it is difficult for a company to grow big enough to be on the Fortune 500 if a company has a limited product or market, or if the company's name or identity creates perceptions that the company has limited scope or reach. To illustrate this, the revenue required for a company to qualify for listing on the Fortune 500 has increased dramatically.

Notes: 1954 sales numbers have not been adjusted for inflation. The criteria for listing on the Fortune 500 have become more inclusive since 1954's focus on "industrial companies" only.



For example:

- Copperweld Steel was #500 on the 1954 *Fortune 500* with sales of \$49 Million, whereas Blockbuster was # 500 on the 2009 Fortune 500 with sales of \$4 Billion. Blockbuster's 2009 sales would have made Blockbuster # 3 on the 1954 *Fortune 500* - after General Motors and Standard Oil of N.J. and ahead of U.S. Steel.
- General Motors was # 1 on the 1954 *Fortune 500* with sales of \$9.8 Billion, whereas Wal-Mart is #1 on the 2009 Fortune 500 with sales of \$408 Billion.
- Wal-Mart's 2009 sales of \$408 Billion are three times the *TOTAL* sales of *ALL* the companies on the 1954 Fortune 500, i.e \$137 Billion.

Although there has been a 45% decrease in family names, about 25% of the 2009 *Fortune 500* still have family names that have acquired appropriate meaning over time and that have proven to be unique, effective, protectable and lasting corporate identities and brands:

Ford	Kellog	Dow	Nordstrom
Boeing	Heinz	Macy's	Hertz
Dupont	McDonalds	Deere	Hershey
Disney	Dell	Marriott	Mattel

Almost one-half of the companies in the 1954 *Fortune 500* had family names. These names gave one a clear impression of who these companies were, what they did and where they did it. Many family names from the 1954 list, that are no longer on the *Fortune 500*, gave a strong sense that there were real individuals who stood behind the company and were responsible for its actions:

William Wrigley, Jr.	L.A. Young Spring & Wire	Allan B. Du Mont Labs
Thomas J. Lipton	P.R. Mallory (Batteries)	A.E. Stanley Mfg.
Collins Radio	Glen Alden Coal	R.J Reynolds Tobacco
Douglas Aircraft	B.F. Goodrich	Firestone Tire & Rubber

As companies grow and expand, they need corporate names that are not specifically descriptive or restrictive, that appeal to broader markets, and that are unique and protectable. This has led companies to shift to image names, coined names and initials names. Almost one-half the 2009 *Fortune 500* have coined, image or initials names. Many of these names leave one wondering who these companies are, what they do and where they do it. These names convey no commitment to any community, product, service or by any individuals. While these kinds of names are hard to relate to, they avoid restricting companies and are more easily protectable. Because they lack intrinsic meaning, they require huge investments to build beneficial meaning or to achieve any emotional connection:

Image Names	Initial Names	Coined Names			
Mosaic	CHS	Avnet	Oneck	Aon	Telerex
Stryker	TJX	Amgen	Fiserv	Visteon	Allergan
Nil Holdings	SLM	Altria	Masco	Emcor	Centene
Universal American	UGI	Nucor	Synnex	Domtar	Scana

Insights

Descriptive names - should not limit the company product or market, unless that product has the potential for broad, long-term growth, (technology, communications, energy, finance, etc.) Identifying with a specific city or region can become a barrier to real or perceived growth and expansion.

Family names - can become distinctive and protectable corporate identities and brands, and they can acquire relevant meaning over time, but they require significant investment.

Image names - can be distinctive and protectable and are most effective when they convey qualities that benefit customers or when they are positioned advantageously vs. competitors.

Coined names - should be more than unique, protectable and meaningless. They should provide some memorable, derivative or appropriate context, e.g. FedEx, Alcoa, Xerox, Google.

Initials names - are the weakest solution to corporate naming opportunities. The best known (IBM, AT&T, GE, etc) have spent billions on marketing and communication over many decades. Without that kind of investment and time, most initials names will be relegated to obscurity.

Conclusion

As companies diversify and grow, they need names that don't restrict growth or opportunity, but names that people can relate to, believe in, care about, take pride in and become loyal to.

Marshall Strategy, headquartered in San Francisco, is an international consultancy specializing in corporate identity and brand strategy.