

# Insights into Importance Of Cell Phone Brand Names

## *Study Shows Relationship Between Naming and Market Share*

### **Key Findings**

**Better cell phone names equal better marketplace performance.** Our proprietary research demonstrates that consumers prefer cell phone names that are perceived as modern, creative, engaging, cool, original and easy to remember.

The correlation between strong product names and strong market performance is more than coincidence.

For example, in Q3 2005, three cell phone companies, Samsung, LG, and Nokia, each held a 16% share of market in the US. Two of them, LG and Samsung, implemented similar creative phone naming strategies and their share increased to 20% by Q2 2008. Conversely, Nokia didn't, and its share of market dropped to 9% during the same time period.

**Motorola: rise to prominence, fall from grace.** It all started with the unique and attention-getting RAZR. Introduced by Motorola in Q3 2004, the RAZR helped propel Motorola's US market share to 35%. But this share eventually fell when LG and Samsung introduced phone names that were even more creative than Motorola's 4LTR vowel-omitted names.

Today, our proprietary research among the target market confirms that Motorola's cell phone names are no longer perceived as modern, creative, engaging, cool, original or easy to remember. This is reflected in Motorola's market share erosion. By Q2 2008, Motorola's US share had declined a dramatic 14 points to 21%.

**LG: from unremarkable to irresistible.** Today, LG (and Samsung) has become everything that Motorola is not. The Chocolate is seductively original, creative and engaging. The Voyager name is relevant, while the Vu is easy to remember.

**Samsung: from same to sexy.** In July of 2006, Ed Zander, former Motorola CEO, referred to Samsung as "Same-sung."

From the engaging and original BlackJack to the easily remembered FlipShot and the modern and cool Instinct, Samsung's cell phone names are anything but "Same-sung."

**Seoul Mates.** Our research shows that both Samsung and LG cell phone names are perceived as modern, creative, engaging, cool, original and easy to remember. In Q3 2005, the Seoul cross-town rivals had an identical 16% share of market in the US. In Q2 2008, they had an identical 20% share of market. Coincidence? We think not.

**Nokia: missing in action.** Nokia, the number one cell phone manufacturer worldwide and the creator of top-quality mobile devices, performs very poorly in the United States. Shockingly, our research shows that on all 15 measures, be it for their Brand Architecture System, Name Attributes, or Fit to Product Attributes, Nokia scored statistically lower than Motorola, LG and Samsung by the target market.

Nokia has resisted letting go of their alphanumeric naming nomenclature. Not surprisingly, Nokia’s US share of market declined 7 points from 16% to 9% during the same time period, from Q3 2005 to Q2 2008. They have half-heartedly introduced names *preceded* by a number, such as the 8600 Luna, but it’s not resonating with consumers.

## Methodology

As a company specializing in product naming and brand architecture, we were curious to know if mobile device (cell phone and smartpone) product names have a favorable impact in the US marketplace.

To test our hypothesis that cell phone product names contribute to results in the marketplace, Strategic Name Development conducted a national online survey of 515 consumers who own a cell phone, selected at random from Greenfield Online’s national panel. The sample was balanced by age, income, gender, and census region.

We measured consumer perceptions on 15 product name and brand architecture factors of representative product names from the four major cell phone companies: Motorola, LG, Samsung, and Nokia.

## What We Asked

SND’s Brand Architecture and Naming Attributes Survey asked 515 people to rate the names of Motorola, LG, Samsung, and Nokia phones on a scale of 1-9 in the following areas.

Brand Architecture System	Name Attributes	Fit to Product Attributes
<ul style="list-style-type: none"> <li>• Consistent</li> <li>• Logical</li> <li>• Simple</li> <li>• Distinctive</li> <li>• Feels like a family of names</li> </ul>	<ul style="list-style-type: none"> <li>• Modern</li> <li>• Creative</li> <li>• Engaging</li> <li>• Original</li> <li>• Cool</li> <li>• Easy to remember</li> </ul>	<ul style="list-style-type: none"> <li>• Intuitive</li> <li>• Relevant</li> <li>• Gives me a sense of what the product does</li> <li>• What I would expect in a device name</li> </ul>

## What about the iPhone and BlackBerry?

The reader might ask, “Why weren’t the iPhone and BlackBerry included?”

Despite the buzz surrounding the iPhone and its enormous desirability, it was only introduced in the market midway through the study time period. Therefore, comparisons were not possible.

And while BlackBerry has recently stepped up its efforts to target the consumer market with the Bold and Storm, these phones were not available during the time period of the study. More importantly, most of RIM’s sales have been directed to the business and government market, making meaningful comparisons in the consumer segment vis-à-vis the competition problematic.

## Naming Systems and Market Trends

Motorola started it all on April 3, 1973, by introducing the first working prototype of a cell phone. It was the size of a brick and weighed 30 ounces — nearly two pounds. While the first Motorola phone to go on the market, 1983’s futuristic-sounding DynaTAC, had a name, many subsequent Motorola phones had alphanumeric designations like V120e and E550. There was nothing there for the consumer to bond with or be inspired by.



Then, on July 27<sup>th</sup>, 2004, Motorola introduced the game-changing RAZR. The name “RAZR” refers to the phone’s slim design: thin as a razor at a mere 13.9 mm or .54 in. At the time, no one had ever seen a cell phone with this kind of name, which not only described its innovative, flat design, but evoked the clipped shorthand teens use when sending IM and SMS text messages. It was after the introduction of the RAZR that Motorola’s market share began its climb toward its 2007 high of 35%.

Motorola’s initial success with its cell phone branding did not go unnoticed. The wireless industry in the United States was becoming increasingly commoditized and the carriers were looking for alternative revenue streams (e.g. ringtones, music, games) and for additional ways to differentiate themselves.

Compared with their global counterparts, wireless carriers in the US wield unusual clout. They strongly encouraged Samsung and LG to introduce branded cell phones. For instance, when Sprint introduced the LG LX550 it was renamed the FUSIC (likely derived from **F**use and **M**usic) to emphasize its built-in FM radio and MP3 music player.



After that, the race was on—not just to produce the best phones, but to give them the best names.

## Motorola: Rise to Prominence, Fall from Grace

The Motorola RAZR was the first major branded cell phone targeted to US consumers with a unique nomenclature. Motorola followed the RAZR about a year later with the ROKR and in January 2006, the SLVR and PEBL were introduced.



All these names followed a distinct pattern:

- Four letters long
- Invented spelling that omitted at least one vowel
- ALL CAPS ORTHOGRAPHY
- Two syllables
- Concrete and abstract nouns
- Built on natural English
- A simile for the phone's form or function (Thin as a razor. Plays music like a rocker.)



The SLVR, introduced in late January 2006, was 2 mm thinner than the RAZR, a mere sliver of a phone. The ROKR, introduced in the fall of 2006, was the first to work with Apple's iTunes, its distinguishing functionality. The ROKR name conjures up "rock 'n roll" or a "rocker," slang for a rock star. And the PEBL was a smallish phone, shaped like — you guessed it — a pebble. Its rounded corners make it comfortable to hold in your hand.



### What's Good About These Names?

First mover advantage accounts for some of Motorola's success with these first named phones. No other mobile phone company had used product names at all, much less chosen an attention-getting alternative form of spelling.

And despite the missing vowels, it's fairly obvious how the names should be pronounced. (Though "SLVR" could also be "silver," that name, too, has positive connotations.) Unlike the previous industry alphanumeric designations, these names told consumers why they might want to own one of these phones. The tactic worked: Motorola's market share shot up from 30% in Q3 2005 to 35% in Q1 2007.

### MOTO Moment



The KRZR was actually introduced as the MOTOKRZR. In the summer of 2006 there was a trademark dispute over the RAZR name with a scooter company that has a Razor scooter brand. To resolve this trademark matter, Motorola added MOTO in front of the RAZR name and its other existing branded cell phone names. MOTO is a slang term used by Taiwanese teens to describe their cell phone.

This grafting of MOTO on the front end of Motorola's cell phone names created a positive perception among the target market. Our research shows that consumers perceive Motorola's MOTO appendage as a good brand architecture system.

- It was statistically perceived as better than LG, Samsung and Nokia on “Consistent naming system” and “Feels like a family of names”
- It was at parity or statistically equal to LG as a “Logical naming system” and “Distinctive naming system,” scoring higher than both Samsung and Nokia on these factors
- As a “Simple naming system,” Motorola was statistically equal to LG and Samsung, but perceived as better than Nokia

But the perception of a good brand architecture was not enough to sustain its marketplace position. In fact, this is not a true example of brand architecture based on strategy, but purely a tactical move to address a trademark concern with the Razor scooter.

## Too Much of a Good Thing

Branching out from four-letter names with the “Q” phone showed potential for innovation. By not following the pattern of its previous phone names, it made the phone stand out. And “Q” had engaging metaphorical connotations for the phone, from “Q Section” in James Bond to the QWERTY keyboard on the phone.



But not long afterward, Motorola also introduced the KRZR, perhaps reaching the point of too much of a good thing with vowel omission. As a name, “KRZR” was much less intuitive than its predecessors. Do people really want a crazed phone? Or think they are crazed for buying this phone?

And “SCPL” was even worse. It stands for “scalpel,” if you’re still trying to guess. Maybe this is why Motorola never introduced it.

These two product names demonstrate the limitations inherent in the “4LTR” system. Rather than new and cool, these names are simply awkward. And by this time (mid-2006), they had to compete with strong product names from Samsung and LG, not just alphanumeric designations.



While “RIZR” was a better name than “KRZR” or “SCPL,” it came too late. By the end of Q2 2007, four-letter names with invented spelling had ceased to be cool and had become trite. Motorola’s once-innovative naming approach is today viewed unfavorably by the target market on all key product name attribute factors versus Samsung and LG. Our proprietary research among the target market confirms that Motorola’s cell phone names fall short on being

- Modern
- Creative
- Engaging
- Original
- Cool
- Easy to remember

Clearly the forced continuity of 4LTR spelling was no longer seen as cool, creative or original. Rather the similarity between the names created confusion – making them difficult to remember and all but engaging.

Since it peaked at 35% in Q1 2007, Motorola's share of the US cell phone market dropped precipitously to 21% in Q2 2008. This race to the bottom reinforces consumers' perceptions that extending the "4LTR" naming scheme past the PEBL was too much of a good thing and began to seem dated.

## LG: from Unremarkable to Irresistible

Though their first named phone was the FUSIC, LG's big success in branding their cell phones came with the introduction of the Chocolate in the summer of 2006. The Chocolate was one of the first, if not the first, major cell phone brand name that employed an aspirational metaphor.



Where Motorola's similes (that's a figure of speech that tells you what something is like) were descriptive, LG played on the seductiveness of chocolate candy by offering different flavors of the Chocolate phone. It was available in white, mint, cherry, strawberry and blue mint chocolate.

To extend the metaphor, the LG Chocolate even comes in a stylish package emulating a box of chocolates.



LG followed this success with additional branded cell phones. There was the Shine, with a mirror-like finish, and the memorable and relevant Voyager, a Verizon exclusive and the first LG phone to offer live mobile TV, that hit the market in the fall of 2007.



LG also gets credit for introducing the easily-remembered and descriptive Vu in April of 2008 exclusively for AT&T with similar functionality to the Voyager: viewing live mobile TV.

Finally, LG introduced the alliterative pair of engaging action verbs/nouns, Dare and Decoy, in June of 2008. The Dare has a customizable menu and touch screen for those who dare to be different, while the Decoy has a built-in Bluetooth headset "hidden" in the phone.



## What's Good About These Names?

Rather than forcing their device names into a rigid pattern the way Motorola did, LG concentrated on creating names that appeal to the consumer's senses. "FUSIC" emphasizes sound, "Chocolate" taste, "Shine" and "Vu" sight.

"Voyager," "Dare," and "Decoy" are action names, phones that appeal to the sense of adventure. These names are cognitive metaphors that focus not on the features of the phone but on the lifestyle of its owner.

According to our consumer survey, cell phone owners considered LG's Name Attributes spot on as

- Modern
- Creative
- Engaging
- Original
- Cool
- Easy to remember

And although LG's names on the four Fit to Product attributes were at statistical parity to Motorola's and Samsung's, they scored significantly better than Nokia's alphanumeric brands.

- Names are intuitive
- Names are relevant
- Names gives me a sense of what each device does
- These names are what I would expect in a device name

LG's cell phone naming was rewarded in the marketplace with a 4 point share increase from 16% in Q3 2005 to 20% in Q2 2008. And consumers gave significantly higher ratings to LG product names versus Motorola's and Nokia's on all 6 Name Attributes.

## Samsung: from Same to Sexy



It is interesting to note that in July of 2006, Ed Zander, former Motorola CEO, referred to Samsung as "Same-sung." It is fair to say that up until this time period, Samsung (like LG) had done precious little in the way of introducing branded cell phones. But at the end of 2006, Samsung brought the spirit of entertainment to its phones with the metaphorically engaging and highly original BlackJack.



Following the success of the BlackJack, and building on the compound word pattern, Samsung introduced the UpStage in March of 2007. The UpStage name was meant to imply that this phone upstages the competition with its dual screens, one on each



side of the phone.

During the fall of 2007, Samsung brought out the FlipShot and the easy-to-remember Juke. The FlipShot name strongly reinforces the phones functionality. The phone flips up, twists and becomes a 3.0 megapixel camera.



Those of us with some graying of the temples remember a time when the only way we could select a mix of songs was to put a couple of quarters in the jukebox at the corner diner. Today, thanks to the Samsung Juke and devices like it, consumers can create their own mix of songs anywhere, anytime, any place.



Samsung continued its engaging product naming in the second half of 2008 with three loose metaphors, the Access, the Instinct, and the Glyde. “Instinct” in particular emphasizes both the intuitive interface of this competitor to Apple’s iPhone as well as the phone’s instinctive response to the user’s patterns, while the Glyde refers both to the cool QWERTY keyboard that glides out and the easy way the user’s fingers glide across the touch screen.

### Why Are These Good Names?

Like LG, Samsung focused its naming strategy on enhancing the consumer’s lifestyle, with an emphasis on entertainment and ease of use. Like the devices themselves, these names emphasize the fact that a mobile phone is no longer just a phone. Cool names that focus on access to games and video or features like a gliding keyboard or flip camera that upstage competitive products, appeal to the coveted youth market. No US teenager wants a boring cell phone.

### Seoul Mates

Strategic Name Development’s consumer study revealed that cell phone owners, not surprisingly, have statistically identical perceptions of LG and Samsung on the six Name Attributes and four Fit to Product attributes.

#### *Name Attributes*

- Modern
- Creative
- Engaging
- Original
- Cool
- Easy to remember

#### *Fit to Product Attributes*

- Names are intuitive
- Names are relevant
- Names gives me a sense of what each device does
- These names are what I would expect in a device name

As you can see, the naming strategies adopted by Samsung and LG are very similar. The two companies are located just across town from one another in Seoul, and have long been rivals. And guess what? During this same time period, from Q3 2005 to Q2 2008, Samsung’s US cell phone market share increased the same as LG’s, by 4 points from 16% to 20%.

### Nokia’s Numbers Don’t Add Up

Shockingly, on **all 15 measures** in Strategic Name Development’s research, be it for their Brand Architecture System, Name Attributes, or Fit to Product Attributes, Nokia scored statistically lower than Motorola, LG and Samsung with the target market.



Why? Because Nokia has historically identified their cell phones with clinical-sounding combinations of letters and numbers. Some of these alphanumeric, like the E90 and N95, have even been trademarked.

## Slow to Catch On

Between Q1 2006 and Q1 2007, Nokia's share of the US cell phone market experienced a precipitous drop when Motorola's four-letter names were at their hottest and Samsung and LG brought out the Blackjack and the Chocolate, respectively.

In the midst of this free-fall, Nokia at last decided to climb aboard the product naming bandwagon. They introduced the 8800 Sirocco in the fall of 2006, followed by the 5300 XpressMusic, E90 Communicator and more recently the 8600 Luna and 8800 Arte.



Where have Nokia's belated attempts to catch up with its rivals' product names left the world's leading mobile device manufacturer? In Q3 2005, Nokia's US cell phone market share was identical to LG's and Samsung's at 16%. By Q2 2008, Nokia had lost a dramatic 7 points and could lay claim to only 9% of the US market. In that same time period, the two Seoul-based companies each increased their share by 4 points to 20%.

## What's Wrong with Nokia's Names?

Although Nokia apparently noticed the value of metaphor in choosing name components like "Sirocco" and "Arte," the alphanumeric habit was too ingrained to overcome. Each of the names in these models is accompanied, and usually *preceded*, by a number, making the name seem like an afterthought.

Other than "Xpress Music," the names don't suggest any particular lifestyle. Names like Luna, Arte and Sirocco are too abstract and lack specificity; they don't tell us who the phone is for or why it will enhance our lifestyle.

Nokia's names are a case of too little, too late.

And instead of taking a step toward a bold new naming scheme, the company appears to be reverting to its earlier pattern. Nokia's recently-announced N97 smartphone, scheduled to launch mid-2009, is intended to compete with the iPhone and the consumer-oriented BlackBerry phones, such as the Bold and the Storm. But there's not a product name in sight, and that means the phone is likely to flop in the US.

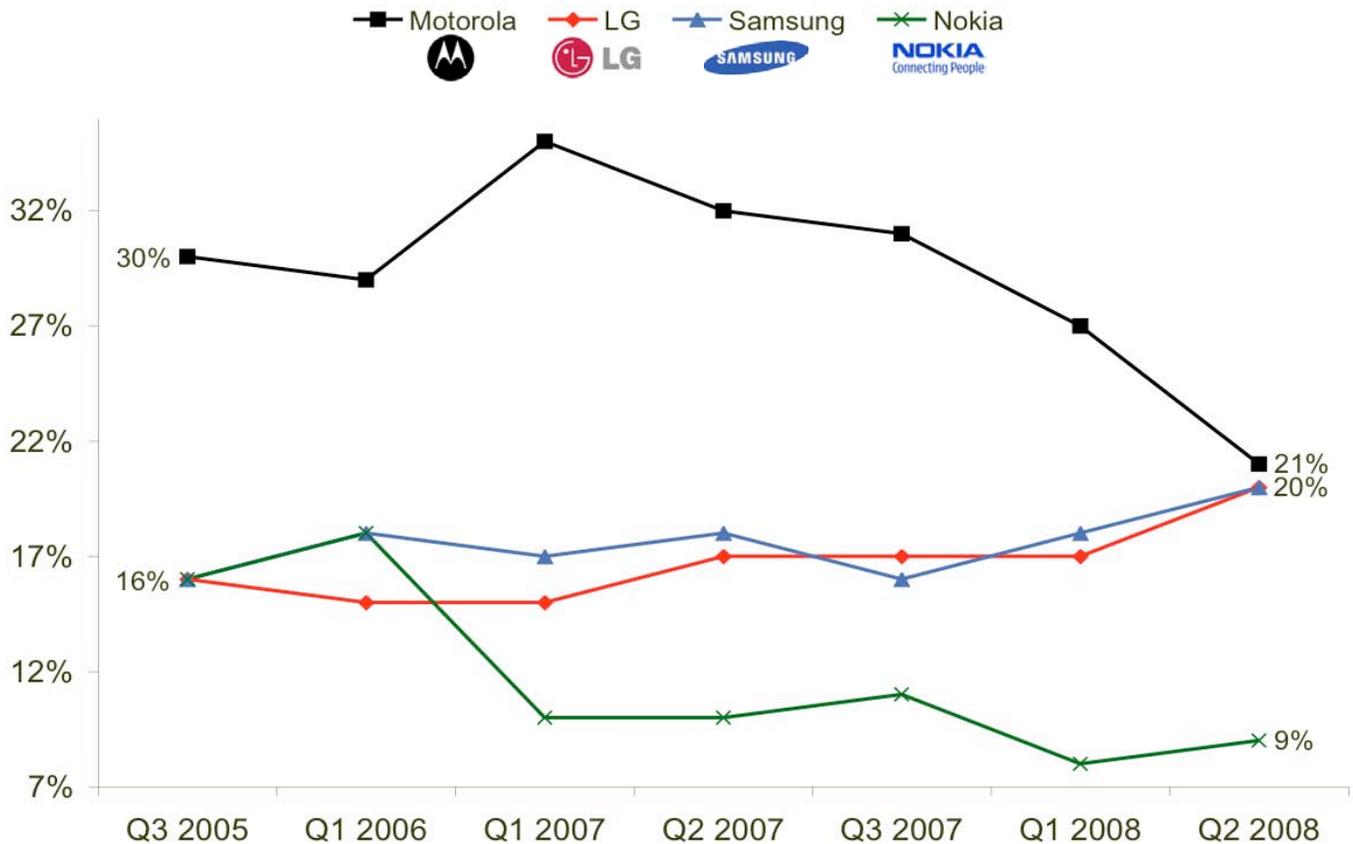
Nokia's plummeting market share validates our argument that cell phone product naming impacts marketplace results in the US. Although the worldwide leader in cell phone sales, Nokia remains unlikely to succeed in the US unless it learns the value of a good name.

## **Conclusion: 9 Laws of Brand Naming**

- ❖ **Names matter** – they create a distinct sense of identity and personality. Plus, they can offer a way for people to connect with the product on an emotional level.
- ❖ **Alphanumerics are not names** – letters and numbers may be great for product catalogs, but not for creating a difference in the mind of the consumer.
- ❖ **Don't lead with a number** – There's a world of difference between the iPhone 3G and 8600 Luna from Nokia. Numbers are cold and impersonal; by placing them first in a name it adds an emotional barrier between the consumer and the product.
- ❖ **Focus on the 3 F's** – When product life cycles are short, names that tell consumers something about the product's *form*, *function* or *features* are more appealing.
- ❖ **Aspire to metaphor** – Aspirational metaphors like the Chocolate build a stronger brand and insulate you from the competition.
- ❖ **Leverage lifestyle** – Pick names that make people feel cutting-edge, stylish or sexy.
- ❖ **Match the name to the market** – If your customers aren't into “edgy,” you had better round off the corners.
- ❖ **'Cool' cools off** – Names lose their freshness quickly. Keep innovating.
- ❖ **When others zig, zag!** – By the time a naming trend is popular, using it for your product makes you a wannabe.

## Market Trends Chart

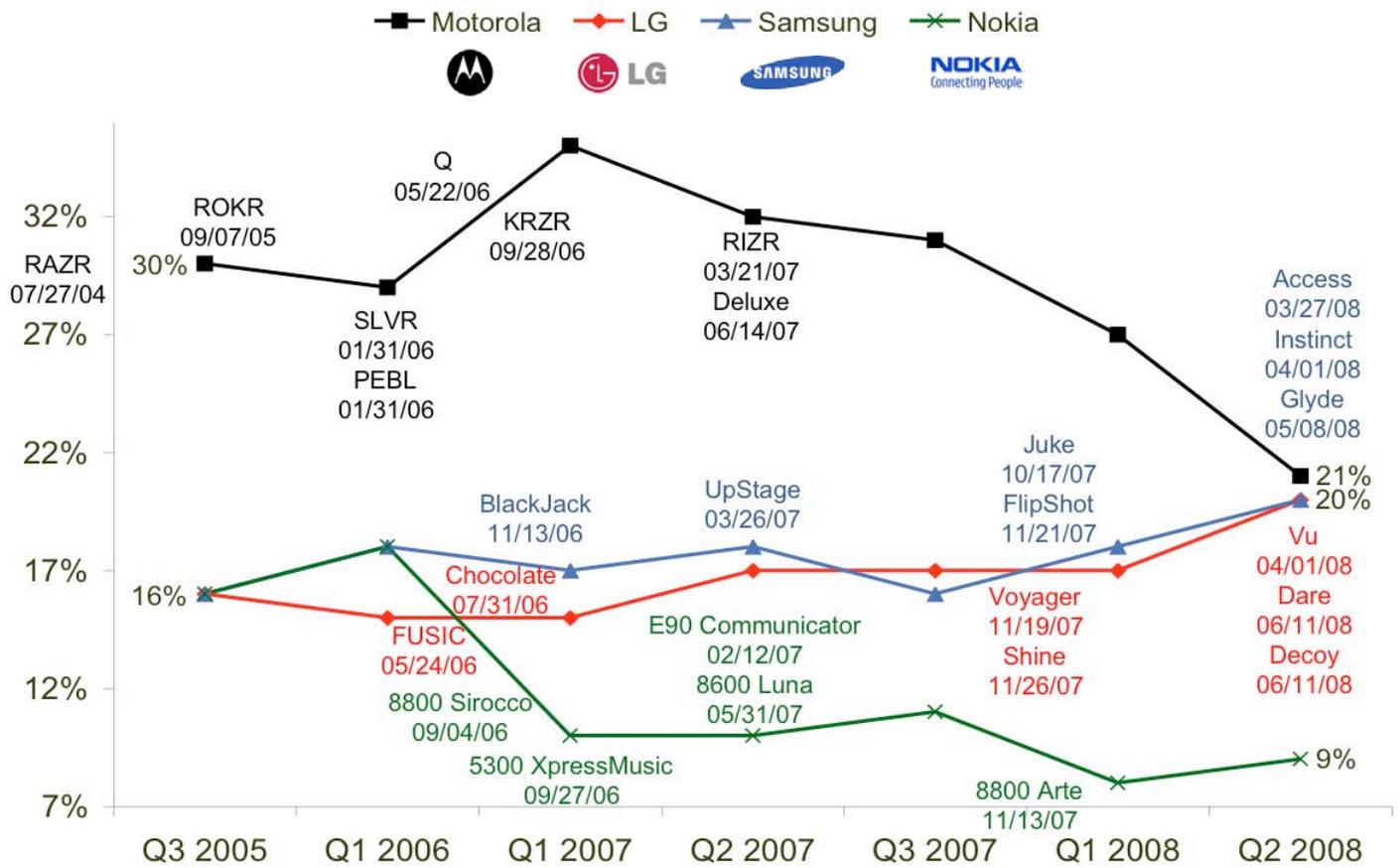
The following chart from the NPD Group's Mobile Phone Track compares cell phone manufacturers' market share from Q3 2005 to Q2 2008.



Source: The NPD Group's Mobile Phone Track

Now overlay the introduction dates of different cell phone models and names. Notice the way Nokia's market share declines as LG and Samsung adopt more effective approaches to naming their products. Likewise, Motorola's market share drops off when it fails to develop a new strategy despite the fading appeal of its four-letter naming scheme.

## Relationship Between Cell Phone Product Names and Market Share



Source: Strategic Name Development's US Cell Phone Study; the NPD Group's Mobile Phone Track; Strategic Name Development's Analysis

## Brand Architecture and Naming Attributes Survey Results

Strategic Name Development asked 515 people to rate their cell phones: “Thinking of the all the mobile device names on the list below, please rate how well you think the names deliver on the following attributes. Please use a scale of 1 to 9, where 9 is Strongly agree and 1 is Strongly disagree.”

### Mean Scores

	Motorola	LG	Samsung	Nokia
<b>Brand Architecture System</b>				
Consistent naming system	6.0	5.5	5.5	5.1
Logical naming system	5.5	5.4	5.2	4.7
Simple naming system	5.6	5.6	5.5	4.8
Distinctive naming system	5.8	6.0	5.7	4.8
Feels like a family of names	5.9	5.6	5.4	4.9
<b>Name Attributes</b>				
Names are modern	5.8	6.1	6.0	4.9
Names are creative	5.5	6.2	6.0	4.5
Names are engaging	5.4	5.9	5.7	4.4
Names are original	5.8	6.2	6.0	5.0
Names are cool	5.4	5.9	5.7	4.4
Names are easy to remember	5.3	5.9	5.7	4.3
<b>Fit to Product</b>				
Names are intuitive	5.4	5.6	5.5	4.5
Names are relevant	5.4	5.4	5.4	4.6
Names gives me a sense of what each device does	4.8	5.0	5.0	4.3
These names are what I would expect in a device name	5.6	5.6	5.5	4.9

Within each row, scores marked with boxes (e.g. 6.1) are significantly higher than those marked with circles (e.g. 4.3) at 95% confidence.

Source: Strategic Name Development’s US Cell Phone Study; Strategic Name Development’s Analysis

## Brand Architecture and Naming Attributes Survey Results

Base = 515	Mean			
	Motorola	LG	Samsung	Nokia
<b>Brand Architecture System</b>				
Consistent naming system	↑	↓	↓	↓
Logical naming system	↑	--	↓	↓
Simple naming system	↑	↑	↑	↓
Distinctive naming system	--	↑	↓	↓
Feels like a family of names	↑	↓	↓	↓
<b>Name Attributes</b>				
Names are modern	↓	↑	--	↓
Names are creative	↓	↑	↑	↓
Names are engaging	↓	↑	↑	↓
Names are original	↓	↑	--	↓
Names are cool	↓	↑	↑	↓
Names are easy to remember	↓	↑	↑	↓
<b>Fit to Product</b>				
Names are intuitive	↑	↑	↑	↓
Names are relevant	↑	↑	↑	↓
Names gives me a sense of what each device does	↑	↑	↑	↓
These names are what I would expect in a device name	↑	↑	↑	↓

↑ = Within each row, significantly higher than ↓ at 95% confidence

Source: Strategic Name Development's US Cell Phone Study; Strategic Name Development's Analysis

## Linguistic Analysis of US Cell Phone Names

	Motorola	LG	Samsung	Nokia
Classification	Natural English words with invented spelling	Most are natural English words	Natural and clipped English and invented spelling	Alphanumerics
Example	SLVR, RIZR	Shine, Chocolate	Juke, Access, Glyde	8800 Sirocco, 8600 Luna
Semantics	Similes for form or function Thin like a razor Plays music like a rocker.	Cognitive metaphors For instance, Chocolate and Decoy have primary associations outside the cell phone category and require cognitive deduction	Loose metaphors Glyde, for example, has several points of familiarity in form and function.	N/A
Example	PEBL, ROKR, KRZR	Decoy, Chocolate	UpStage, Glyde, Access	N/A
Syntax	Concrete and abstract nouns	Most are action verbs that double as abstract nouns	Compound nouns and action verbs	Abstract nouns
Example	RAZR, SLVR, KRZR	Shine, Vu, Dare	BlackJack, Access	8800 Arte
Morphology (structure)	Two syllables, 4LTR	Single lexemes	Two syllables or less. Most are compound lexemes.	Two or more lexemes
Example	RIZR	Decoy, Dare, FUSIC	UpStage, FlipShot	XpressMusic
Orthography	ALL CAPS	Initially all caps (FUSIC), now title case	N/A	Alphanumerics
Example	RAZR, PEBL	Shine, Vu	N/A	E90 Communicator

Source: Strategic Name Development's analysis