

## Brand Naming Process in Malaysia Small and Medium Enterprise: A Need Assessment Analyses

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### Abstract

A name is among the most important identity for a brand, apart from its logo and symbol. Previous researchers proven that a good and properly chosen naming process will indeed give impact to a brand. Through literature reviews, the naming process by Kohli and LaBahn (1997) is a detailed and systematic model that is produced to look into the naming process for a certain brand in the United States. What has been done by the local companies especially in the SME category in producing a suitable name has become one of the questions. Therefore, in determining the most accurate way to apply the Kohli and LaBahn (1997) model as well as the need of modifying the model, a specialist assessment was made to see the research needs for this problem. This working paper, reports and discusses the findings from interviews with five (5) experts who are the lecturers from several fields; marketing, organization founder, and directors of organizations. Results had shown that there are needs to carry out research in addressing the issue. Recommendations for future researchers are also discussed in order to ensure the quality of local brands at international level.

**Keywords:** Brand Identity, Brand Name, Naming Process, Small and Medium Enterprise

### Introduction

A brand is a promise and idea that is planted in the minds of every customer and according to Wheeler (2003), it is also the hope of customers towards the products or services offered. Looking from the challenges in marketing nowadays, Kollmann and Suckow (2007) mentioned that it is a necessity for companies to have their own brands in order to compete and win the hearts of customers.

This research is critical in providing information and advantages to entrepreneurs, particularly Malaysia Small and Medium Enterprise. A key component of company and marketing strategy is branding. It entails giving a firm, product, or service a distinctive and recognisable identity in the eyes of customers. The following are a few essential points that best describe the significance of branding. Differentiation; In today's cutthroat marketplace,

branding aids companies in standing out from the competition. A strong brand sets a company apart from its rivals by articulating its distinctive value proposition, character, and offers. This distinction fosters a sense of superiority and draws clients (Mitchell & Clark, 2020). Customer Recognition and Trust; A well-established brand cultivates familiarity and recognition among consumers. When customers can easily identify and recall a brand, it builds trust and credibility. Trust is a vital factor in purchasing decisions, as people are more likely to choose brands they recognize and perceive as reliable (Kim & Chao, 2019). Brand Equity; Brand equity refers to the intangible value and financial worth associated with a brand. Strong brands with high brand equity often command higher prices and customer loyalty. Brand equity is built over time through consistent brand experiences, customer satisfaction, and positive brand associations (Wang & Jiang, 2019). Customer Loyalty and Advocacy; Brands that successfully engage and satisfy their customers can foster loyalty and advocacy. A loyal customer base contributes to repeat business, increased customer lifetime value, positive word-of-mouth, and referrals. Satisfied customers are more likely to recommend the brand to others, becoming brand ambassadors (Tarigan & Hatane, 2019). Competitive Advantage; A strong brand can produce a long-lasting competitive advantage. When consumers believe a brand to be greater or more desired, competitors find it difficult to match or replace that brand's reputation and customer loyalty. Brand Extension and Expansion; A strong brand can use its reputation and devoted following to expand into new markets or introduce new products. Brand expansion and diversification tactics are made possible by consumers' increased willingness to test new products from a brand they trust. Emotional Connection; Brands have the ability to arouse feelings and forge closer ties with customers. Companies can tap into their customers' aspirations, values, and desires through strong branding, creating an emotional connection. Stronger emotional ties frequently result in better consumer relationships and greater brand loyalty. Financial Benefits; The financial health of a business may benefit from effective branding. Well-known and respected brands frequently see growth in market share, sales volume, and profitability. Additionally, they frequently draw partnerships and investors more readily. It's significant to remember that branding calls for consistency, authenticity, and a thorough knowledge of the target market. It takes time, effort, and a thorough plan that is in line with the company's beliefs and objectives to develop a successful brand.

Each brands need to have their own identity as being stressed by Anderson and Bennett (1988). A brand must have special features that separate them from other brands and products, for example, Nike and Adidas are two different products that representing two different elements as their brand images, even though they sit in the same category. However, according to Labahn (1995), brands with strong images are able to influence customers' choices and command a premium in the marketplace. Therefore, the key to a good brand identity resides in the success of the company in selecting the name and logo (Keller, 2003) so that the brand itself able to differentiate their products or services from other competitors'. Besides, DeChernatony and McDonald (2000) clarified that the identity differences should also be looked into from the emotional perspective, whereas Anderson and Bennett (1988), mentioned that in order to relay emotional and functional values to users, a name is a very important function that able to communicate and convince users towards a certain product or service. Hence, it make sure that the brand image sells (Kohli and LaBahn, 1997).

The importance of selecting a perfect name is to ensure that it gives a huge impact towards the success of a company. Furthermore according to Kohli and LaBahn (1997) the brand name is much more important than the packaging. Through literature, the researcher had found out that the naming process model introduced by Kohli and LaBahn (1997) is a detailed and specific model to look into the current practice of naming process carried out by Malaysian companies especially among the SME category. Kollmann and Sukcow (2007) agreed as they used the same model in their research. Figure 1 is referred to (The Kohli and LaBahn, 1997).

In determining the relevance and suitability for the usage of the Kohli and LaBahn (1997) model for Malaysian SME companies, the opinion assessment from the respondents was done to identify the needs to study the issue.

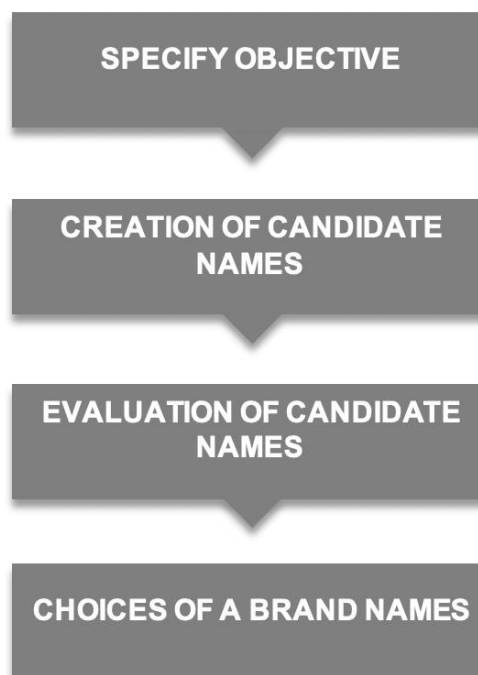


Figure 1. Naming Process (Kohli and LaBahn, 1997)

### **Brand Naming Process Issue**

The study on the naming process has actually been carried out before. Names like Peterson and Ross (1972); Zinkhan and Martin (1987) as well as Chatterjee and France (1990) are among the pioneers in the realm of studies. However, Kohli and LaBahn (1997) think that most of the articles and previous writings conveyed individual thoughts regarding the issue, while the study on what processes were carried out is still limited in resource.

After in-depth research, Kohli and LaBahn (1997) and Kollmann and Sukcow (2007) each has three studies relating to the issue. McNeal and Zeren (1981); Shipley et al (1993) had started the study on the approach for naming process that has been carried out in the United Kingdom (Kohli and LaBahn, 1997). However according to Kollmann and Sukcow (2007), the research (McNeal and Zeren, 1981; Shipley et al., 1993) were reassessed and adjusted later by (Kohli dan LaBahn, 1997).

Because there is no formal guideline for the naming of a brand as stressed by Kohli and LaBahn (1997); Kollmann and Sukcow (2007) used the model by Kohli and LaBahn (1997) in

their research on net economy companies in German and assumed that the model by Kohli and LaBahn (1997) is the latest, most comprehensive and systemic.

Previous studies on the naming process are only limited to only certain countries like the ones done by McNeal and Zeren (1981) as well as Shipley et al (1993) which is only constrained to the United Kingdom. Same goes with the study by Kohli and LaBahn (1997) and Kollmann and Sukcow (2007) which is only limited to the United States and Germany.

Question remains that in the local context, what is currently being used in Malaysia in terms of naming process for brands under the SME category? Hence following the same reason by Kollmann dan Sukcow (2007) that the model created by Kohli dan LaBahn (1997) is the best model to suitably address the issue at hand, the researcher is going to use the same model and apply it to the local SME scene in order to know and identify the scenario that revolves around the naming process practice

With the rationale laid-oud aforementioned, in reference to the literature review, the issues that arise in relation to the naming process are:

1. No procedures and formal guidelines whatsoever for the naming process of a brand (Kohli and LaBahn, 1997).
2. Studies of issues regarding naming process are limited to certain countries like United Kingdom, United States and Germany (Kollmann dan Sukcow, 2007).

### *Objectives Of Research*

Because there are no procedures and formal guidelines regarding the naming process and studies conducted are scarce and only limited to only a few countries, hence this study have two objectives. It is aimed to identify the suitability for the application of the model by Kohli and LaBahn (1997) towards companies under the SME category in Malaysia. Finally, is to determine the needs and necessity for the model to be altered so that it is fit to the local needs.

### **Methodology**

#### *Participants*

The needs assessment is made and adjusted base on a collection of data and information gathered from series of interviews which being carried out with five (5) respondents who are the experts in several expertise; sales and marketing lecturers, organization founders and directors of marketing-based companies. The protocol for each interviews are strictly kept to gather the data and information that acted as a guidance for the interview sessions. Respondents' participation for the interview were on a voluntary basis and the respondents were not forced in any way to participate in the sessions which took them around one to two hours for each session.

The five (5) respondents chosen are three (3) lecturers from different local universities. They are a founder of an organization and a marketing director from a government department. The selection of respondents is based on their broad experience in marketing, directly involved in formulating marketing strategies, sales and promotion for notable companies like Nissan, Adabi and Ramli Burger. Two (2) of the lecturers possessed Doctoral degrees in their respective fields and all three earned more than ten (10) years of teaching experiences. They are still actively involved in marketing and product / brand promotion including research projects and consultations.

### *Internet Protocol*

An interview protocol was developed to elicit information concerning the respondents' perception on the suitability of the naming process model's usage introduced by Kohli and LaBahn (1997) towards the local SME companies. Hence, the researcher able to form the decision on the need to adjust the naming process model referring to the local SME requirements. During the interview session, the respondents were also being questioned on the solutions and methods as the suggestions and improvements to the existing model.

### **Finding and Discussion**

In this section, the finding from the need assessment is discussed. Generally, opinions from the respondents regarding the existing model by Kohli and LaBahn (1997) are discussed in stages. Therefore, conclusion to the opinions are then reviewed according to the stages readily mentioned in the existing model.

In relation to the model application introduced by Kohli and LaBahn (1997) towards the local SME companies, all respondents agreed that the model is the latest and comprehensive and it is suitable to apply to local companies. However for it to be applied in Malaysia, all five (5) respondents suggested for some improvements on the model. The suggestions and opinions are noted in stages as so:

#### *Stage 1: Specify objective*

According to the respondents, at this stage it is crucial to identify what are the top managements' perception regarding on the importance of branding, specifically in the choice of name and logo for the company. The question arise whether the management agrees on spending money for branding especially regarding name and logo creation. This is agreed upon by Haig and Harper (1997) they say that many companies think that it is not necessary to spend a lot of money just for the sake of creating an effective name and an attractive logo. There are some argument on branding, which it is often has an unclear purpose and that large quantities of money are spent on branding activity without publicly available research on the efficiency or the outcomes of these investments (Chapleo, 2011). Therefore, as an addition to the Kohli and LaBahn (1997) model, the respondents suggested that the question regarding the managements' perception on investing money on creating a good company name should be asked at this stage. One of the five respondents mentioned that the perception of the management itself is important in order to identify the dynamism and direction of a company. It is important at this stage to know the readiness of the managements to spend money on the creation of a good company name and logo.

#### *Stage 2, 3 and 4: Creation, evaluation of candidate names and choice of brand names*

In satisfying the need to adjust the Kohli and LaBahn (1997) model to be applied in Malaysia, there are respondents who suggested that in spite of getting to know about the naming process at this stage, indirectly it is better to perceive on logo creation process. Therefore, adjustments need to be done for several stages; stage two, stage three and stage four by including the logo creation process as shown in figure 2:

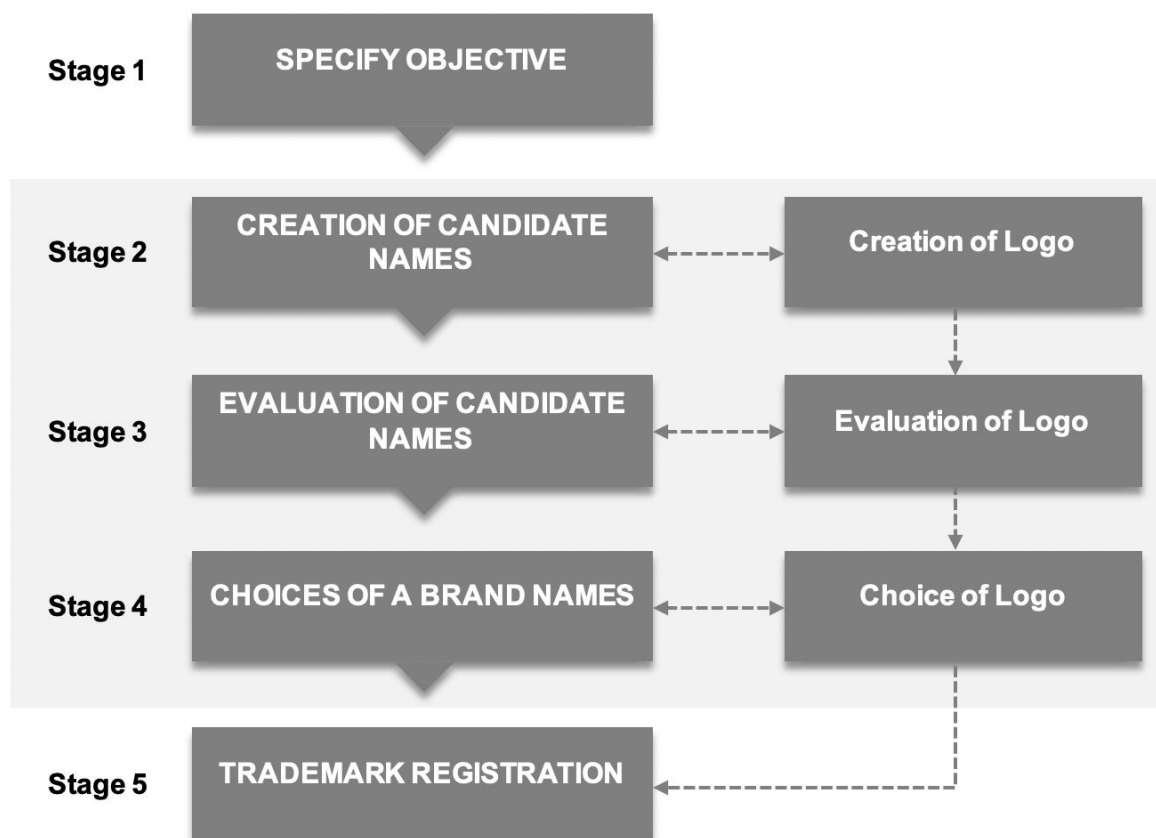


Figure 2. The modified model

### Conclusion

The results gathered from the interview shown that there are similarities in issues such as experts' opinions and the problems that are retrieved through the literature review. Firstly, all of the respondents agreed on the procedures deflection and formal guidelines for the naming of a brand in Malaysian context and they accepted the model by Kohli and LaBahn (1997) to be implemented by local companies under the SME category. This is also stressed by (Kollmann and Sukcow, 2007).

Secondly, the company's logo and name need to be collaborated to ensure that the company's identity is effectively introduce. Danesi (2006) asserted that logo works as a pictorial element that plays an equally important role as the name for a company. Hence, the respondents suggested that logo creation process needs to be added to the Kohli and LaBahn (1997) existing process.

All respondents agreed for a serious study to be carried out concerning the issue of naming process that is practiced by local SME companies. It needs to be addressed, so that many questions revolving around the naming process that is practiced among the local SME companies can be resolved. Otherwise, local SME companies might not change and developed in terms of knowledge and actions which, in turn will give negative effects towards the Nation's economic development.

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