

Name of the Company

The name of the company is an essential factor, we do not conceive the idea of a company without a name; in a word, the company does not exist. In order to legally establish and register a company, it must have a name, but when choosing the name it is necessary to consider certain factors because you can have the wrong idea about some aspects.

There is data that confirms that a large number of companies change their name, the reasons are varied. For example, at the beginning, maybe the company chose a long name and the clients used a diminutive name and that is how it is known. Another case may be (and it happens very frequently) that the company diversified and customers do not locate it in its new line of business. And one more example that we can cite is a company that includes the name of the city of origin of the company and it turns out that it wants to expand but it cannot enter the new market because clients cannot locate it, these are just some of the cases in which companies consider changing their original names.

Changing the name of the company is really expensive, it involves a series of procedures such as legal issues, among many others. But even so, companies are still considering changing the name before taking further action.

As we discussed earlier, to assign a name to the company it is necessary to consider a series of factors that according to studies are essential when choosing the name of the company, and these must be: brevity, distinction and longevity.

Brevity refers to not putting a name that will not be positioned in the minds of customers, it is considered that a name of more than three syllables is already too long. Many companies choose to put a descriptive name in relation to the business of the company, but in many cases it is not productive since the company diversifies and the name ends up not fulfilling its purpose.

Distinction, the objective of a name is to designate a company, not to describe what is done in it, because as we mentioned before, it may pass a while and not fulfill the purpose that was had in the beginning.

Longevity, a name that has no problem with the passage of time, but quite the opposite, that gives it status. For example, it is not recommended to put names that for now are fashionable, or use words related to something fashionable since later it will be obsolete.

It is also recommended to be original and not be a copy or a name very similar to the competition, it is necessary to be careful with using a word that represents a double meaning or that in another country has a different meaning than the country of origin. Another very

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important point is to take care that the name does not contain negative connotations because customers perceive it from the outset.

When you decide to put the name of the owner or the surname, you should think carefully since many people may prefer to leave with the competition because they do not find the name pleasant. As we can see, the name is indispensable for the creation of the company and comes to represent in some cases the success or failure of it. Just as there are failures due to the wrong name in companies, there are many others that after analyzing and deciding to change the name are a success.

Reference:

Koontz, d. (2005). Sea competitivo.
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