
Exposing the two-face brands

While there are many successful examples of brand truncation, for both marketing professionals and trademark counsel the decision to create alternative faces for existing marks is one that should be approached carefully

When I talk about two-face brands, I don't mean brands that say one thing and do another. Neither am I talking about brands that don't live up to their promises. I'm literally talking about brands with two faces. One face may be confident, complicated, technical, professional, distant and/or formal. Let's call it Stephen or Charles. The other face might be friendly, simple, approachable, personal, engaging and/or informal – perhaps identified by a nickname or some other form of abbreviation or truncation. Meet Steve or Chuck.

As an example, Charles Schwab & Co Inc has offered securities brokerage services under the CHARLES SCHWAB brand name and mark for nearly three decades. About six years ago it rolled out a highly effective and engaging tagline and marketing initiative called 'Talk to Chuck'. According to marketing consultant David Mitchel: "Charles Schwab would not have been successful as Chuck Schwab. However, 'Talk to Chuck' under Charles Schwab is a quality communications device. The name 'Chuck' is more likely to conjure up friendly, one-on-one feelings whereas Charles is more staid and formal. Financial services/wealth advisory has a one-on-one relationship component." So, 'Talk to Chuck' appears to be a good example of when adding a second – less formal – face to the brand can work well in helping the brand owner to create a stronger, more emotional and more powerful connection with its customers.

Brand truncation is not a new communication tactic. Federal Express began nearly 40 years ago as an air cargo transportation service; after 12 years in that business it adopted FedEx as an abbreviated or truncated version of the original FEDERAL EXPRESS service mark. And then, 16 years later in 2000, it embarked on a major rebranding effort, placing FedEx front and centre, while the original Federal Express name took on a much less prominent role, still in use together with FedEx, but relegated to the virtual backseat of the plane. The company's continued emphasis on its new streamlined face is understandable, as Aaron Keller, managing partner of Capsule, has explained: "Federal means slow in many countries, which goes in complete opposition to the FedEx promise of on-time delivery."

Based on trademark records available at the US Patent and

Trademark Office (USPTO), it appears that Caterpillar, the more than 100-year old manufacturer of heavy earth-moving equipment, waited more than 80 years to introduce CAT as a truncated form of the brand. The classic example of a famous brand truncation that continues to stand the test of time is probably Coca-Cola's abbreviated and less formal COKE brand. As the Coca-Cola Company celebrates 125 years of success this year and COCA-COLA continues to be considered one of the most valuable brands in the world, the related Coke brand name is enjoying a full 70 years of success. One aspect of the success, perhaps, is that the verbally efficient three-syllable phrase 'rum and Coke' rolls more easily off the tongue and is far more likely to be ordered in a crowded bar than the technically equivalent but far more wasteful six-syllable alternative 'rum and Coca-Cola'.

Indeed, this well-established trend towards communicative efficiency and less-formal truncated brands makes good business sense, according to Matt Kucharski, senior vice president of Padilla, Speer & Beardsley: "Today's marketers want their brands to be approachable and accessible. The result is that some are lightening up on the traditional identity rules and allowing the occasional less-formal permutation. Most of us don't Federal Express a package – we FedEx it. And we tend not to drink Coca-Cola – we grab a Coke. That said, as marketers embrace less formal permutations of their brands, they're getting more disciplined at registering and protecting the trademarks and identities of both the main brand and the variations."

Recent brand truncations

In spite of these brand truncation successes, some of the more recent examples have been openly ridiculed by various marketing professionals. For example, two years ago Pizza Hut purported to "introduc[e] another vocabulary word with Pizza Hut, which is 'The Hut.' That ties in nicely with today's texting generation", as chief marketing officer Brian Niccol told Brandweek in March 2009. He went on to explain: "We wanted to make sure that Pizza Hut and 'The Hut' become common vernacular for our brand. Red is our mark and when you see that red roof, people will refer to it as 'The Hut' or 'Pizza Hut.' As we expand our online and mobile businesses, 'The Hut' is the perfect icon for our mobile generation." Naming consultant Nancy Friedman of the award-winning Fritinancy Blog, however, took issue with Pizza Hut's claimed "new vocabulary introduction" noting, "I'm pretty sure *hut* has been around since, oh, the seventeenth century, and *the* even longer".

Similarly, in August 2009, RadioShack announced: "Trust is a critical attribute of any successful retailer, and the reality is that most people trust friends, not corporations. When a brand becomes

a friend, it often gets a nickname – take FedEx or Coke, for example. Our customers, associates and even the investor community have long referred to RadioShack as 'THE SHACK,' so we decided to embrace that fact and share it with the world," said Lee Applbaum, RadioShack's chief marketing officer. "This creative is not about changing our name. Rather, we're contemporizing the way we want people to think about our brand. THE SHACK speaks to consumers in a fresh, new voice and distinctive creative look that reinforces RadioShack's authority in innovative products, leading brands and knowledgeable, helpful associates."

In direct response to RadioShack's claim that "Our friends call us, THE SHACK", Armin Vit of Under Consideration's Brand New Blog barbed: "With friends like that, who needs enemies?" Similarly, Nancy Friedman's Fritinancy Blog mocked: "The Shack, The Hut... shorter names for a downsized economy? Let's speculate on what the next tinyfication will be: Pottery Barn shrinks to The Barn." In addition, Randall Hull of The Br@nd Ranch "question[ed] the wisdom of truncating Radio Shack at a time the company is trying to resurrect its faltering brand, particularly if 'The Shack' moniker lends itself to negative brand associations. This is a time for clarity, not confusion or misdirection."

Another recent brand truncation that was widely criticised at its launch a couple of years ago was Gatorade's bold truncation to the single letter 'G'. As part of the rebrand launch, Gatorade led with a massive teaser ad campaign – asking 'What is G?' – a question that begged answering in its mysterious ads. However, not all of the answers were beneficial to the brand.

As I have written before: "Trial attorneys are taught not to ask questions – at trial – if they don't know the answer. A related and good rule of thumb for marketers might be: Don't ask a question, if you don't know and – perhaps more importantly – if you can't own the answer." There are simply too many third-party trademark uses and registrations containing the letter G for Gatorade to be the one and only G drink or beverage, unless, of course, it goes on a brand-buying spree.

Marketers were also critical of the single-letter Gatorade brand truncation. At the outset of Gatorade's launch of G, the campaign was promptly criticised – at least in the United States – for ignoring 'gangsta' as one possible answer to Gatorade's self-inflicted question 'What is G?' The Unbound Edition Blog cleverly mused "Gatorade fumbles with its G Spot". Likewise, recognising that 'G' easily stands for a 'gram' of cocaine or some other illegal substance such as GH B, following the launch in January 2009 Bob Garfield of Ad Age wrote: "In a world where X stands for Ecstasy and H stands for heroin, you'd better take care how you sling around your Gs." Some of the other lesser-known, yet recent single-letter brand truncations, went almost unnoticed, except for my tongue-in-cheek revelation on DuetsBlog that the Bubblicious bubblegum brand's truncation to B and Stride chewing gum brand's truncation to S, together spells BS.

An aborted plan to retire a truncated brand

With the branding trend towards truncation so well documented, it left many marketing professionals scratching their heads and GM dealers frustrated with General Motors' infamous memo from June 2010, which favoured the formality and rigid consistency of using the full three-syllable CHEVROLET name and brand at the expense of its adored pop-culture two-syllable CHEVY nickname. As noted in a *New York Times* editorial openly criticising the apparent decision, if GM were actually to phase out use of the CHEVY nickname, "it won't just be fighting decades of its own promotional efforts – it will be thumbing its newly upturned nose at more than a half century of musical references".

In the GM (or should we more properly say General Motors?) memo, Alan Batey, vice president for Chevrolet sales and service and



Jim Campbell, the GM division's vice president for marketing, explained that to further the company's goal of promoting brand 'consistency', it wanted employees and dealers to promote the "use of Chevrolet vs Chevy. We'd ask that whether you're talking to a dealer, reviewing dealer advertising or speaking with friends and family, that you communicate our brand as Chevrolet moving forward."

What Batey and Campbell apparently failed to appreciate is that having a two-face brand does not necessarily inhibit the goal of consistency, as evidenced by the fact that Coke goes hand in hand with Coca-Cola without suffering any lack in brand consistency. Each face represents one side of the same coin. Spelling Chevrolet and Chevy the same way each time delivers brand consistency, and there is no reason to pick one over the other. Chevy and Chevrolet are not mutually exclusive brand names or trademarks. Indeed, they happily coexist and complement one another, as history has shown.

Following an intense hailstorm of criticism, GM decided to explain the admittedly "poorly worded" memo further just one day after it went public. As reported by Richard Chang of the *New York Times*, GM shifted into "backtracking" mode, indicating instead that "the memorandum reflected Chevrolet's strategy as it expanded internationally, but that the company was not 'discouraging customers or fans from using' Chevy". He further reported that "in global markets", the GM statement went on to say, "we are establishing a significant presence for Chevrolet and need to move toward a consistent brand name for advertising and marketing purposes. The memo in question was one step in that process."

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The need to be authentic

So what is the reasoning behind this naming trend? Based on these examples alone, it appears that the most recent attempts at brand truncation may be motivated, at least in part, by a desire to obtain the kind of notoriety and magical favour that Coca-Cola has enjoyed with Coke, Federal Express with FedEx and Chevrolet with Chevy. The problem, of course, with the more recent attempts at creating successful two-face brands is that they aren't Coke, FedEx or Chevy. As Jorg Pierach, founder and creative director of Fast Horse, has recognised: “Some of the more recent truncations don't work because they don't seem genuine. Coke and FedEx reflect what's already accepted and used in the marketplace. ‘The Hut’ and ‘The Shack’ do not, which makes them feel forced.”

Consumers are usually the first to sniff out gimmicks and active social media users the first to broadcast when a marketing tactic appears to lack authenticity or integrity. Yet from time to time brands may be in need of a legitimate boost or a facelift. This is when whispers of rebranding often begin to circulate.

Rebranding name changes are frequently made in an attempt to distance a brand from the negative connotations and consumer perceptions of its previous image. Moreover, sometimes rebranding is legally required for a myriad of reasons. There are many examples of brands taking on completely new names where none of the goodwill transferred (eg, Andersen Consulting and Accenture, Brinks and Broadview, Comcast and Xfinity, Philip Morris Companies and Altria Group, Bell Atlantic and Verizon).

However, unlike a completely new mark, name truncation doesn't wholly separate a brand from its previous goodwill and image. We all still associate BP with British Petroleum, G with Gatorade and Coke with Coca-Cola. Thus, truncation is probably more of a brand revitalisation than a full-blown rebranding.

The adoption of a second, truncated mark may be a good way to restart a stalling brand. One reason why this type of revitalisation can be popular is that it introduces a new face to a brand without walking away from the long-term commitment that a company has made to a specific mark. Additionally, for those averse to risk, the decision of how to truncate can reduce the overall amount of risk that a brand takes. For example, truncations that abbreviate a mark in a way that is consistent with speech patterns (eg, FedEx from Federal Express) can be more distinctive and less risky than abbreviating to a more diluted or crowded mark (eg, G for Gatorade or The Shack for Radio Shack).

Another current naming trend has been to move away from arbitrary names and back towards brand names with an honest, straightforward and even humble quality. Assuming that it is genuine

and authentic to the core brand, the addition of a less formal face seems to create an opportunity to generate a stronger emotional connection with consumers who may have shorter attention spans. Talk to Chuck, Coke and FedEx are all solid examples of where this tactic works. Additionally, when a product is reformulated or a service is revamped, the addition of a second fresh face can act as a further indicator that the brand is newly improved. This is probably what RadioShack was after in pushing ‘The Shack’. Only time will tell whether this tactic has succeeded – but the odds seem stacked against The Shack joining the ranks of Coke and FedEx.

The risks

Although the addition of a fresh face may be appealing, there are potential risks with using a truncated mark. A truncated name, especially if it is only one or two letters long, is much less specific to your client's particular brand. If your client owns an inherently distinctive and famous mark, and is considering truncating to one letter, considerable thought should be given to the other identical one-letter marks already in the marketplace.

One must wonder whether Gatorade considered this when it adopted G? There are currently more than 700 live G marks listed on the USPTO database. While they are certainly not all well known or famous, a brand such as Gatorade should carefully consider whether it wants to become one of many rather than continuing with its distinctive, well-known and famous trademark. Arguably, the more formal GATORADE mark conjures up much more favourable feelings in the minds of consumers than the letter G. These images and associations should also be considered before a well-known mark is abandoned.

Additionally, brand owners should take into account the possibility that other brands may start using an identical truncation. Thus, will the owners of Pizza Hut be concerned if Sunglass Hut also begins calling itself ‘The Hut’? Presently these are different businesses, but will they always be? And what about other restaurants already using ‘The Hut’ or similar variants? Pizza Hut going down ‘The Hut’ road seems like an open invitation for reverse-confusion plaintiff cases.

With the rapid expansion of social media, marketing tactics can seem to be under a critic's 24-7 microscope, but having said that, brand owners also should recognise that using a one or two-letter mark could create an even easier target for criticism and ridicule, especially if the brand is not living up to its promise. Using an abbreviated mark and inviting others to speculate about what the letter(s) stands for can sometimes feel like loading your adversary's gun. Case in point: BP. After the Gulf oil disaster, critics speculated

that the BP mark stood for a variety of things including 'Broken Pipe', 'Big Polluter' and 'Bad Petroleum'.

Another important consideration for one-letter marks is consumer acceptance. Is the current trend for one and two-letter marks a fad that consumers are unlikely to adopt? If so, is such a mark an investment worth making? Although some truncated marks have caught on, I have yet to have anyone offer me a bottle of G, or a stick of B or S for that matter.

Legal implications

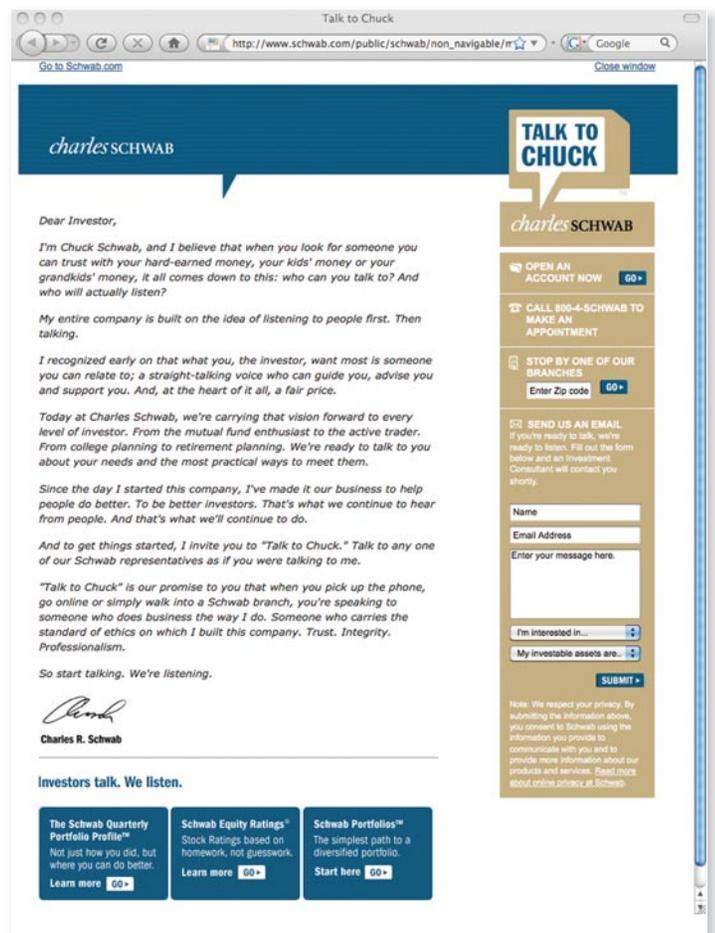
Finally, the decision to adopt a new trademark is not just a marketing one; it also has legal and financial implications. A branding decision to adopt a truncated mark may infringe the already established mark of a third party. Milwaukee-based law firm Foley & Lardner learned this the hard way when it truncated to 'Foley' – including in Boston, the location of law firm Foley Hoag's home office. Foley & Lardner ended up facing a trademark infringement lawsuit, which eventually settled.

Obviously, any truncated use should be predicated on a comprehensive trademark search to determine whether a third party is using the same or a similar mark that would likely cause confusion. Dilution must be considered as well. If the truncated mark is cleared, the brand owner would be well advised to seek registered protection for the new truncated mark, as Matt Kucharski has already suggested. The financial implications of seeking protection will include not only the costs of registering the mark, but also the long-term costs associated with policing and enforcing it.

For some, especially those who seem to have only hammers in their toolbox, future policing expense will be more significant than for others who take a more pragmatic approach. At least one brand owner which has adopted a truncated mark – namely, Monster Cable's abbreviation to Monster – has been far from restrained when it comes to challenging third-party MONSTER marks and marks simply containing the term 'monster' (including Monster Deer Block for nutritional feed blocks for deer), notwithstanding the existence of multiple other monster brands (eg, the job search website, the energy drink and film properties), to the point where Monster Cable is often criticised for overreaching beyond a reasonable scope of its rights and is probably the most commonly identified 'trademark bully' on the block.

Another decision that a brand owner must consider is whether it will continue to use the original brand name and the new truncation together, or phase out the old name. For example, 3M no longer uses its original name (Minnesota Mining and Manufacturing Co), yet Charles Schwab continues to use its more formal name along with its newer 'Chuck' abbreviation. The decision to carry on with two trademarks, if used together in close association, may reduce the risk of possible conflicts with third-party marks, but will carry with it the associated costs and fees of protecting and enforcing two marks – both faces of the brand, if you will.

One of the most common ways that brand owners can get into trouble is when they don't realise that ceasing all use and abandoning the original brand can render them unable to stop others from adopting and using it as their own. It can work the other way as well. Indeed, one has to wonder whether those toying with dropping the truncated Chevy brand face properly weighed that risk in the balance. In addition, others who do realise this risk may be unaware that token use of a mark is insufficient to maintain trademark rights in the United States. The use must be in commerce and in the ordinary course of trade, and not made merely to reserve rights in a mark; so the question of how much is enough will always be a delicate one.



In light of these comments, it will be interesting to follow FedEx over the next couple of years, as its final few Federal Express registrations come up for renewal in the United States.

In the end, brands, like people, may exhibit either or both faces, formal and informal, depending on their surroundings and the circumstances they encounter at any given point in time. They are not necessarily mutually exclusive faces, as evidenced by the fact that nearly all of the branding truncation examples above did not completely replace the more formal brand name; they simply introduced a fresh new second face of the brand.

While it is true that branding decisions are business decisions, they cannot be made in a vacuum. The key to making successful choices that truly fulfil the goals of a brand owner is early and frequent collaboration between the legal and marketing teams that support the company's brands. [WTR](#)

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