



parathink™

Nº 2

Names That Sell Global Healthcare Brands

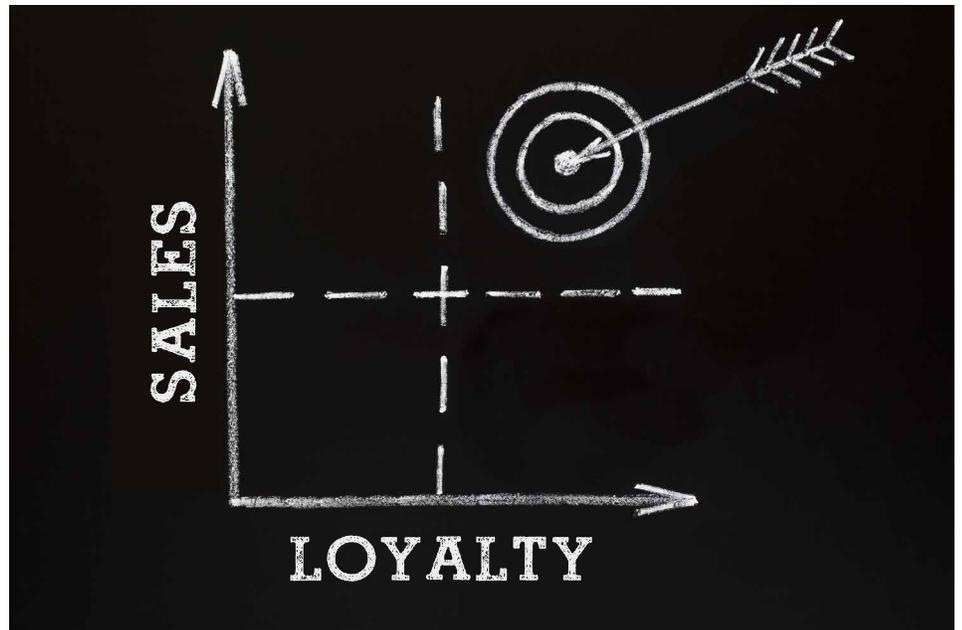
How to create distinctive brand names that drive customer preference, sales and loyalty

(A quick-reading *parathink* briefing for really, really busy healthcare executives)

Get our name-generation worksheet

Robin Zvonek
Founder/CEO
Paragraphs LLC

Paragraphs is an award-winning, strategic design firm specializing in branding and corporate communications across all media. Since 1984, we've helped leading healthcare companies around the world do one thing exceptionally well: build powerful brands that grow their business.



Executive Summary

A strong brand name gives your company an asset that is yours forever, generating ongoing revenue long after patents expire and formulas go generic. As the global impact of the Internet makes traditional naming strategies more complicated to use, creative new practices can offer your company greater flexibility and distinction.

Our experience has repeatedly shown the value of these new strategies, which make it possible to stimulate customer engagement and loyalty, give your company greater control over brand identity, and take full advantage of opportunities in the global healthcare marketplace.

In this parathink briefing, we'll give you a quick overview of:

- Why traditional healthcare naming practices aren't working for most modern companies,
- Three successful alternative naming strategies that have emerged in the last 10–15 years, and
- Real-world examples of how these strategies can help companies of any size create new business and expand their share of existing market segments, even with a limited budget.



Why the name game is changing, especially for healthcare

Like it or not, your healthcare brand—and everyone else’s—is competing in a worldwide marketplace. You can thank the Internet for that, because it’s given you a level of global visibility most people never dreamed possible, even less than a generation ago.¹

As a result, there’s a lot more competition for trademarked brand language, in every language. Less than two decades ago it was still possible to file a trademark application in your home country without having to be too concerned about someone else attempting to claim the same name in another. The chance that either party would find out (or care if they did) was pretty slim.

Today, however, securing a name you can own internationally is part of the price of admission for *any* healthcare brand, and a critical step for those who want to compete globally or become industry leaders. In most cases, that will mean letting go of long-established industry naming practices.

Just tell me “what it is” and “what it does”

Before the Internet, many household names in the healthcare industry followed an “I am/I do” pattern. They were developed by starting with the desired outcome or active ingredient associated with a product. Then a bit of alteration took place to make the name unique or different enough to



trademark—adding a prefix or suffix, changing the spelling, or best of all making the name sound similar to one of its benefits.

Pharmaceutical products like Aleve, Claritin, NyQuil, Cortaid, NoDoz, Ex-lax, Pepto-Bismol, and Sudafed offer just a few of the best-known examples of this strategy. You can even hear the echo of the word “benefit” in names like “Benadryl” and “Benicar.”

But according to Robin Zvonek, CEO of Paragraphs, the Internet age has created significant challenges for this approach:

Branding around a benefit makes good sense, and it’s still a kind of “holy grail” for healthcare products. The trouble with these “benefit words” today is that they’ve rapidly become commoditized in the larger global arena. A quick Google search is usually enough to verify that a benefit-oriented name, however original it may sound, has already been claimed by multiple companies around the world. More than one of these claims may even be legitimate, thanks to trademarked variations of similar-sounding names with different spellings.

¹ For more details about the global branding challenges in the Internet age and how successful companies are dealing with them, download our free *parathink* briefing: [Meeting 21st Century Challenges to Global Healthcare Brands](#).

A clear sign of this change can be seen in the increasing use of high-scoring Scrabble letters in names like Vioxx, Zocor, Nexium, Zestril, QNASL, Zithromax, Xanax, Lasix, Q-Tussin and Zyrtec. But even with these embellishments, more and more healthcare companies are hitting a wall. Robin Zvonek has encountered this issue firsthand:

“One company we partner with recently tried to trademark four different name options for a single product, but all were rejected by the FDA for being too close to existing products in the same category.”

– Robin Zvonek, CEO, Paragraphs LLC

Another consequence of global visibility is that cultural differences make universal benefit-oriented names more challenging to create. Any company that does business internationally worries about how brand names will translate, and is wise to do so. Even some long-established brands have names that effectively limit their growth to specific markets. St. Joseph’s remedies, for example, have been available to U.S. consumers for more than a century. But however much the company may be trusted here, you probably won’t find their products under the same name— if at all—in China, Saudi Arabia, or India any time soon.

Is developing a strong brand name really worth it?

The challenges of securing a recognizable name as a brand asset can make the process seem like more trouble than it’s worth, especially when so many medical products run the risk of commoditization. Many companies think “If we invent an innovative device, won’t the buyers come?” or “Why bother branding something that might become commoditized down the line?” It’s tempting to question whether the effort to create value for a name you own exclusively will deliver sufficient return on investment. Competitive pressure in healthcare can be overwhelming, to the point that many companies are content to let others set the market, then try to trump their lead or play “fast follower.”

“Our experience over the last quarter century suggests this “safe” strategy rarely if ever leads to the significantly greater revenues you can enjoy if you establish market leadership or a commanding share,” Martin says. “In fact, it’s actually a lot more expensive to play catch-up or “me too” than it is to blaze a bold trail as an industry leader with one or more strong, recognizable brands. While this is true for most industries, it’s particularly critical to healthcare.”

For proof, look no further than the closest drugstore or the pharmacy department of your local supermarket. There you’ll see familiar over-the-counter brands like Advil, Tylenol, Benadryl, Vicks, Bayer, and many, many more. Next to them will be a store-brand or generic clone that contains the exact same active ingredients that sells for half the price. A few medical professionals will tell you there’s a difference, but they’re in a very small minority.

Yet even in the tightest economy, many consumers still buy the branded version despite the higher cost. Why?



The answer is because **a brand is more than a name; it's a culture unto itself**. Done right, brands build trust, create positive consumer expectations, and transform customers into evangelists for the experience only you can provide. It's a form of intellectual "real estate" that no one can ever take away from you. Your exclusive rights to patents or formulas may expire, but a brand is yours forever.

The impact of branding on the healthcare industry is certainly true for prescription drugs and over-the-counter products. Consider the case of Prilosec, which was once the

best-selling prescription medication in the world. The strength of the Prilosec brand is so strong that many doctors still prescribe it today, even though it's now available without a prescription.

What's more, the power of the brand to create preference in healthcare reaches beyond pharmaceuticals. It applies to devices and services, providers and payors, multi-national corporations and mid-size companies—even, and perhaps most importantly, to new startups looking to make their mark in a highly-fragmented and competitive marketplace.

“Without strong branding, every healthcare product, service, or feature you develop is missing opportunities to create and nurture customer preference—which leads to favorable pricing and repeat purchasing behavior. With strong branding, you have a defensible asset with ongoing revenue potential that gives you the ability to define your market and create your own differentiated position.”

– Robin Zvonek, CEO, Paragraphs LLC





SAGENT™

Discover Injectables Excellence™

Brand Beyond Generic: PreventIV MeasuresSM

Think generic healthcare products can't benefit from branding? Sagent Pharmaceuticals, Inc. thought otherwise, and was recently named the fastest-growing healthcare company in the world as a result.

In 2008, Sagent was a relatively new startup with less than \$10 million in sales with just a handful of products. Today, they're #1 on both the Deloitte & Touche Hot 500 and the *Crain's Chicago Business* Fast 50. Near the end of 2012 the company reported a growth rate of 146,443% and has since climbed higher. Not bad for an upstart manufacturer of generic injectable medications.

The word "generic" conjures up images of old-school supermarket packaging: white bags with black type that said "corn flakes" or "potato chips." The idea worked at the time because of the context: when you're in the snack aisle, you're not likely to mistake the corn flakes for the potato chips.

In a medical environment, however, many injectable medications come in one-inch tall vials. Many of them look the same and have sound-alike names, making it all too easy for a pharmacist, nurse, or technician to grab the wrong drug, which can lead to extremely serious consequences.

Five years ago, when Sagent first partnered with Paragraphs, they had decided to tackle this problem head-on. While we couldn't make specific claims, we could highlight

our thoughtful process—and common sense approach—we were taking to try to prevent medication errors. For every single product, a different package and label would be produced with a different design and color scheme. Instead of making the company logo the largest element like most companies, Sagent made the name of the medication and the dose the largest elements in each design to minimize confusion. The question then became, "How do we make customers aware of this benefit and create value in an undifferentiated, generic marketplace?"

Cary Martin, SVP of Paragraphs, recalls the branding opportunity:

We branded Sagent's proprietary approach PreventIV MeasuresSM, a name that instantly starts and centers the conversation around Sagent's unique safety benefit. When customers ask, "What do you mean PreventIV Measures?", we're able to highlight our differentiated

value—i.e., Sagent is helping caregivers to make safer choices through highly-differentiated packaging and labeling. Best of all, customers get PreventIV Measures on all Sagent products and PreventIV Measures is available only from Sagent. That's premium safety without premium cost compared to other generic vendors.

By creating PreventIV Measures, we set a value proposition that clearly resonates with our target customers: if you can have differentiated packaging and labeling that's easier to read and enhances patient safety, why wouldn't you choose it?

The result? Pharmacists, nurses, and technicians prefer this innovative approach to packaging and labeling because it helps them choose the correct medication. In the wider marketplace, other injectable companies are following suit and playing catch up to match the value and customer expectation we created through PreventIV Measures.



The new naming strategies: what's working in healthcare today

Look at any list of top brands in terms of valuation, and you'll see companies—and naming trends—that weren't there 20–30 years ago. Many of the brands at the top of the list are newer players, and the naming strategies they've used illustrate three new approaches that resonate with today's consumers.

Strategy #1: Alternate spellings

Recognizable words can still be made distinctive with creative alterations that keep key sounds involved. Dropping vowels, swapping letters, and running words together are all common, as in names like the blog site Tumblr or the nasal spray QNASL. The most famous example today is of course "Google." This name is an alternate spelling of "googol," itself a made-up word attributed to the nine-year-old nephew of the mathematician Edward Kasner, who needed a name for the number that is written as the numeral 1 followed by a hundred zeroes. (The nickname for the company's headquarters, "Googleplex," is also a play on the related mathematical term "googolplex.")

This strategy takes advantage of a trend that all brands have in common, which is the tendency for consumers to mentally reduce the name of every brand to a short, simple, and memorable byte. That's why "JP Morgan Chase" is more commonly called "Chase," The Siemens "biograph Sensation XT" becomes the "biograph," and "Coca-Cola" is known as "Coke." Even "BMW" gets shortened to "Bimmer," a word that's longer on paper but one syllable shorter when spoken.²

As these examples to suggest, any naming strategy can benefit from crafting the shortest possible brand title that remains easy to use and still carries the value of your positioning.

SIEMENS

A new kind of "life story": The Siemens biograph

Early in this century, Siemens came to Paragraphs with a simple but game-changing innovation: a device that combined the functions of CT and PET scanners, which until that time had been separate imaging technologies in distinct imaging devices.

Combining the technologies into one system created a product and a category that hadn't existed before; the first device on the market to provide a complete, three-dimensional overview of the human body. We wanted the name to reflect the new category Siemens was creating, and recommended that they name the system the biograph. The brand rationale was that the biograph, "tells your life story."

The name also had the advantage of leveraging Siemens' reputation as a scientific innovator and leader to establish and maintain a clear lead over competitors who quickly copied the idea, first with vaporware, then later with "me-too" products that trailed one or more steps behind as Siemens continued to innovate and define the category they created.

In the year 2000, *Time* magazine named Siemens' biograph system as an Innovation of the Year. From that time on, anything their competition attempted to produce had to answer the question "How does it compare with the biograph?" More than a decade later the biograph has withstood the test of time and remains a flagship brand in medical imaging.

² "Beamer" or "Beemer" is acceptable only when referring to BMW motorcycles.

Strategy #2: Reorient or re-appropriate

If someone says the word “Apple,” there’s a good chance you’ll think of an iconic technology brand before a crunchy round fruit, even if you’re a hardcore PC user. Simple, common words, even without changes to spelling, can be redefined by design, marketing, and branding into distinctive assets that represent their own culture, make the brand memorable, and create a user affinity completely different from their original meaning.

This strategy has been extremely successful in the Internet age, not only for Apple, but for Amazon.com, Monster energy drink, and many others. If you can’t brand specifically to the benefit you’re reaching for, look for common words that can imply the same thing when taken out of context and redefined by savvy marketers. The opportunities that today’s connectivity offers—via social media and other channels—to reach your target audiences and shape brand perception and buying preference have never been greater.

Strategy #3: Make something up (seriously)

That’s right. Not only can you completely make up a brand-new word there are some excellent reasons to do so.

First, the chance someone else will make up the exact same word and trademark it before you do is much lower than being beaten to the punch by using the other two strategies previously described.

Second, and just as valuable, is that your name can mean anything you want it to. You’ll probably have to spend a bit more to explain exactly what that is than you would with strategy #2, which has more leeway to imply traits, but you also have the advantage of a completely blank canvas when creating your brand persona. You get to start from scratch, with all the challenges and benefits that come with that freedom.

4 easy steps to a brand name that sells

If you have a new product, service, or feature set that needs a compelling name, we’ll give you a free insider look at the process we use to get the ball rolling:

Get our healthcare name-generation worksheet—Free

Request a copy of our free healthcare name-generation worksheet, which details four key factors to bear in mind when developing a name for any market. Just visit our website to [download the worksheet](#). There’s no obligation whatsoever. Consider it our way of saying “thanks” for taking the time to read this briefing.

For more information about how you can create names that distinguish, promote, and encourage loyalty for your brand, contact Paragraphs today.

312.828.0200 *Ask for Robin*



Get our name-generation worksheet



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Which healthcare companies have sought Paragraphs counsel?

- Abbott Laboratories
- Adolor Corporation
- Advocate Health Care
- AGFA Healthcare
- Allscripts Healthcare Solutions
- American Dental Association
- Automatic Liquid Packaging
- Baxter Healthcare Corporation
- Beckman Coulter, Inc.
- bioMérieux, Inc.
- Caremark International, Inc.
- Center for Partnership Medicine
- Clintec International
- Cystic Fibrosis Foundation
- Dade Behring
- EHS Partners
- Fisher Scientific
- GC Mogam
- Hospira, Inc.
- IBM Watson Healthcare
- Incyte Corporation
- Juvenile Diabetes Foundation
- Kaufman Hall & Associates Inc.
- Lyphomed Inc.
- Michael Reese Hospital
- Navigant Consulting, Inc.
- Northwestern Memorial Hospital
- NX Signature
- PathoGenesis Corporation
- Periodontix Inc.
- PharMEDium Services, LLC
- Physicians Interactive
- Quest Diagnostics
- Roche
- Rush Prudential Health Plans Inc.
- Sagent Pharmaceuticals, Inc.
- Scrip Companies
- Siemens Medical Solutions
- Stericycle
- St. James Hospital
- TAP Pharmaceuticals
- University of Chicago Hospital
- US Labs
- Ventana Medical Systems, Inc.

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Got a burning topic you'd like to see in a future briefing? Drop us a line at think@paragraphs.com.

Paragraphs LLC is a women business enterprise (WBE).