

LEXiCON®

Lexicon Branding – CMO Survey

February, 2019

CMO SURVEY CONFIRMS THE INCREASING CHALLENGE AND CRITICAL NATURE OF BRAND NAMING

Despite naming being cited as the most important element for success when bringing a new brand to market—and the most difficult to get right—85% of CMO's surveyed by Lexicon in February 2019 are still willing to assign the task internally or to a design firm. Firms that lack the specialization, experience, and proven results.

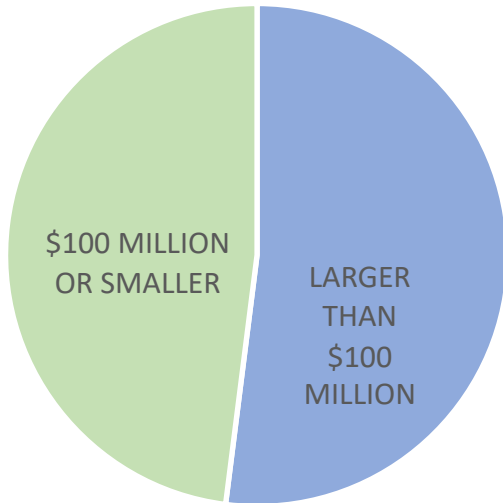
According to David Placek, the Founder and President of Lexicon Branding, "It is clear that because of intense competition combined with distracted consumers, trademark clutter and the global nature of brands, companies have reached an inflection point as to how a brand name must now be viewed as a strategic challenge, not just a tactical element. Both the upgraded role a new name can play and the difficulty of creating an effective name."

"Given the realities of the digital economy and the potential to develop a brand name that represents an asymmetric advantage," Placek continued, "many Lexicon clients are abandoning the traditional name development methods and are using Lexicon's far more comprehensive approach to brand name development to guarantee success."

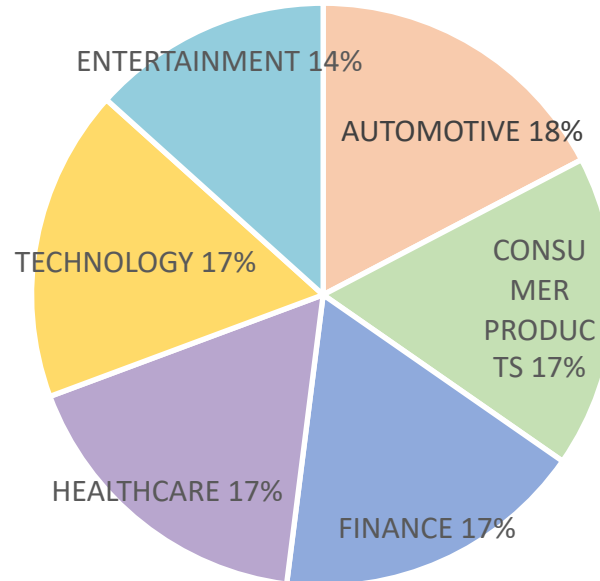
CMO SURVEY - KEY INSIGHTS

- CMO survey shows that developing effective brand names is getting harder and is more important in the digital economy.
- Of 75 CMOs, 93% say naming is harder now than 5 years ago and nearly 50% expect it to be much more difficult in the next 5 years.
- Of 8 marketing elements, none ranked higher in importance to success when bringing a new brand to market than naming.
- An even greater percentage of CMO's consider naming the most difficult to get right than any other marketing element.
- Naming outranked positioning and advertising in importance to long term success.
- Despite being the most important and most difficult to get right, 85% of CMOs are willing to assign the task of naming to a design or advertising firm.

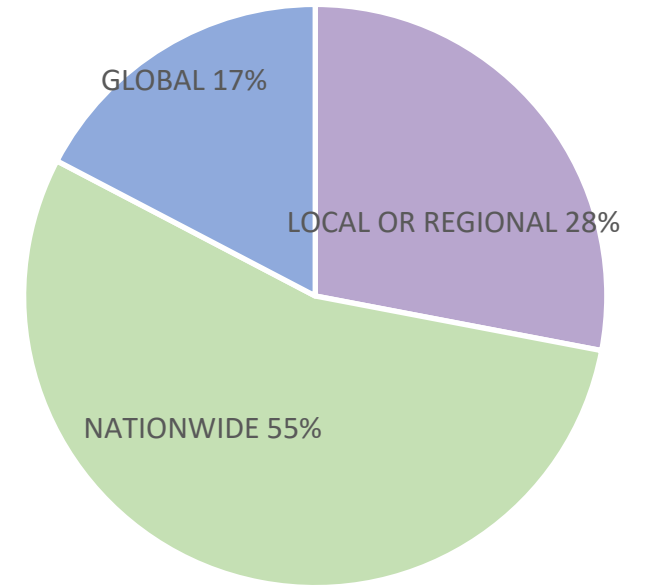
AUDIENCE PROFILE



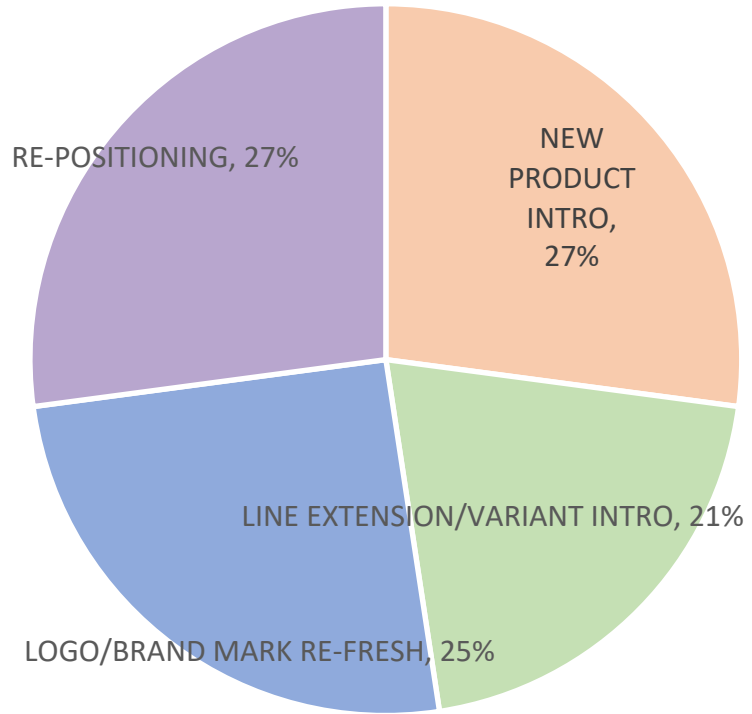
52% LARGER THAN \$100 MILLION



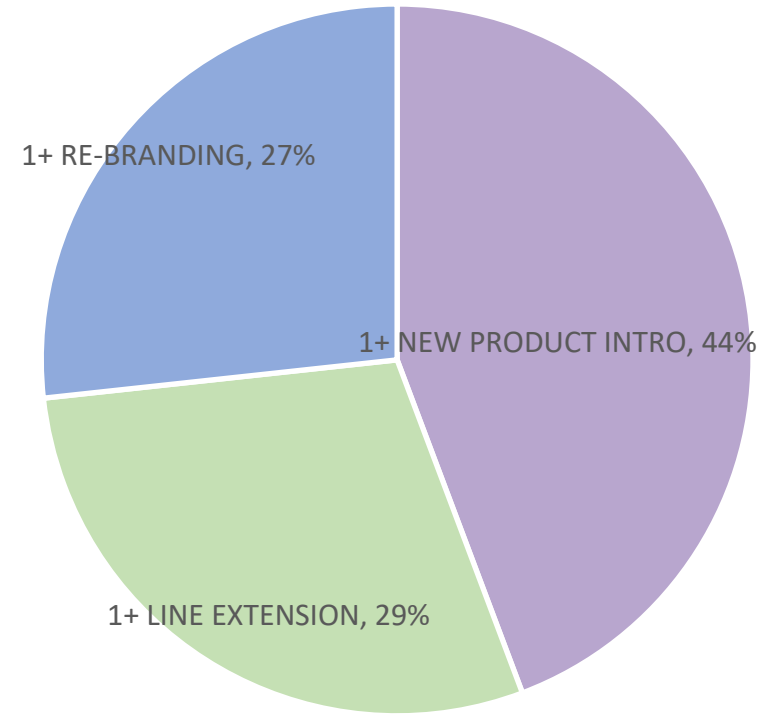
INDUSTRY SPLIT



17% GLOBAL SCOPE ON LAST BRANDING PROJECT



PAST 3 YEARS

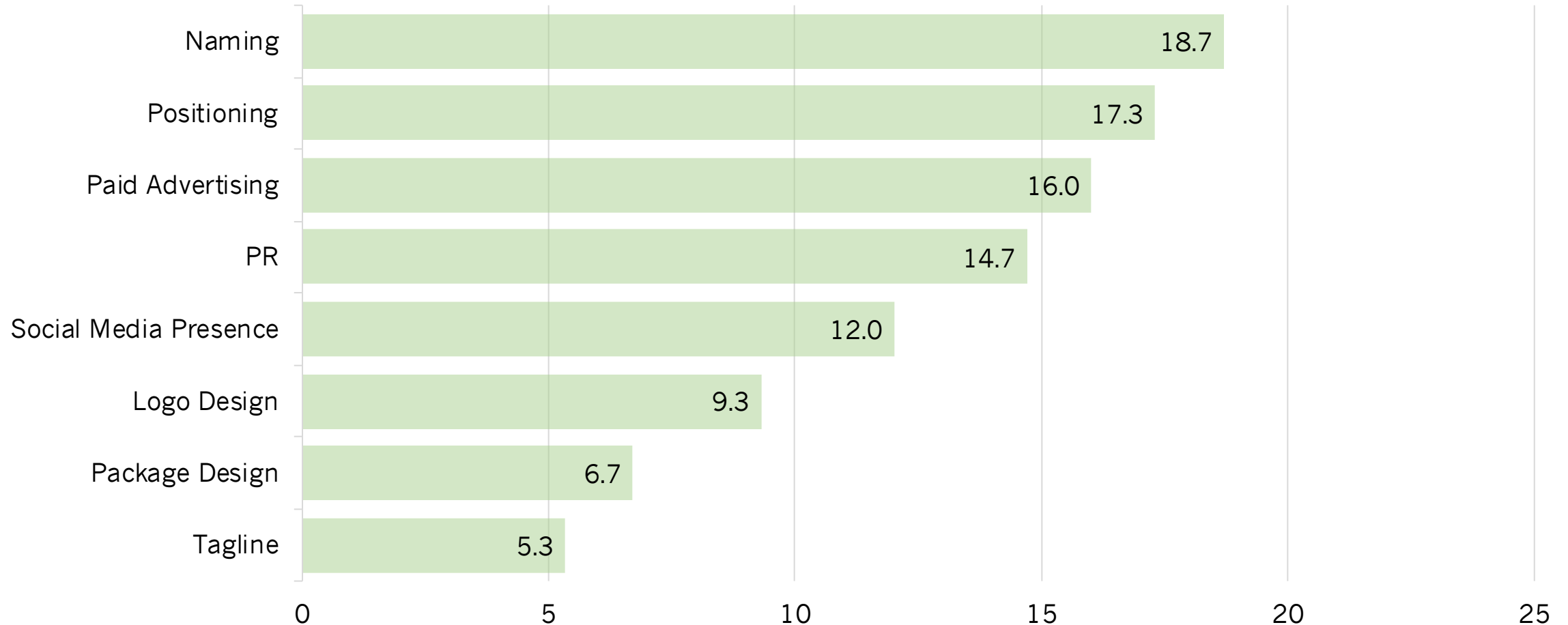


NEXT 18 MONTHS PLANS

WHERE DOES NAMING RANK IN IMPORTANCE
VS INVESTMENT?

MORE CMOs RANK NAMING 1ST IN IMPORTANCE TO SUCCESS

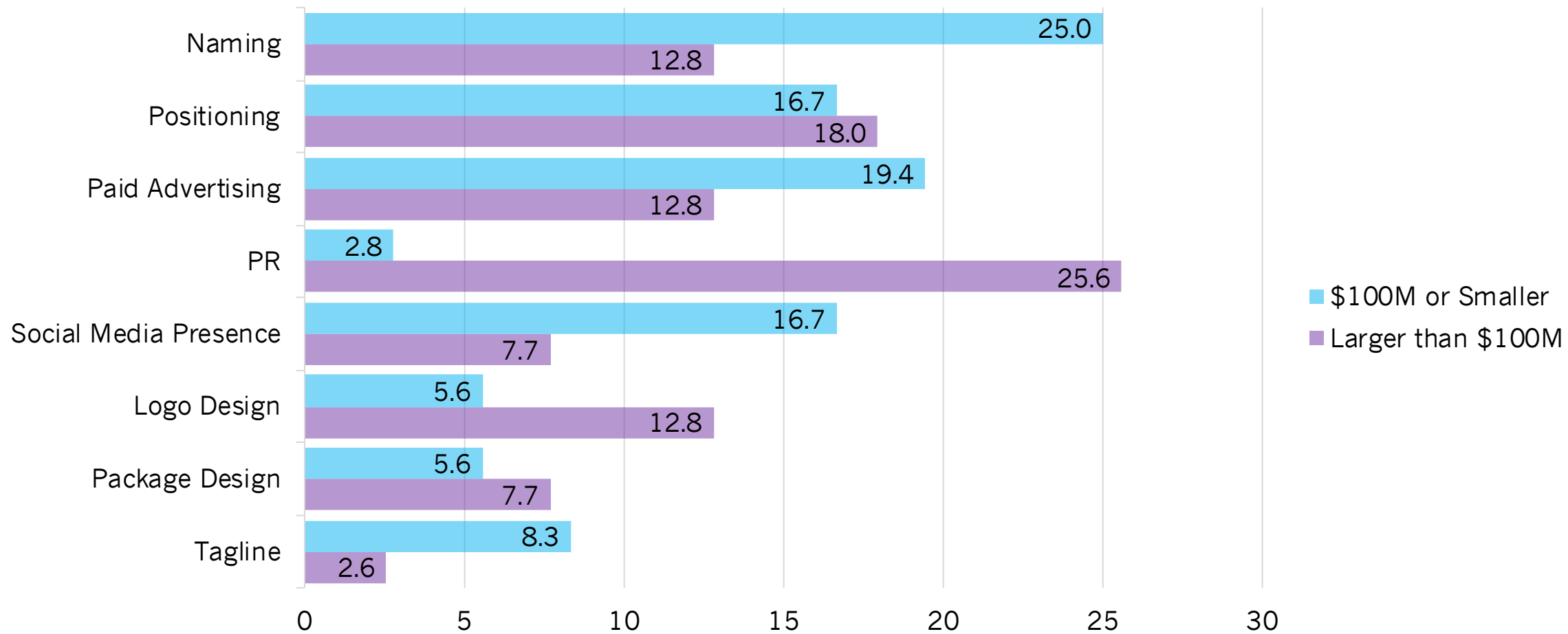
% Rank 1st



Q. When bringing a new brand to market, which marketing element do you consider most important to success?

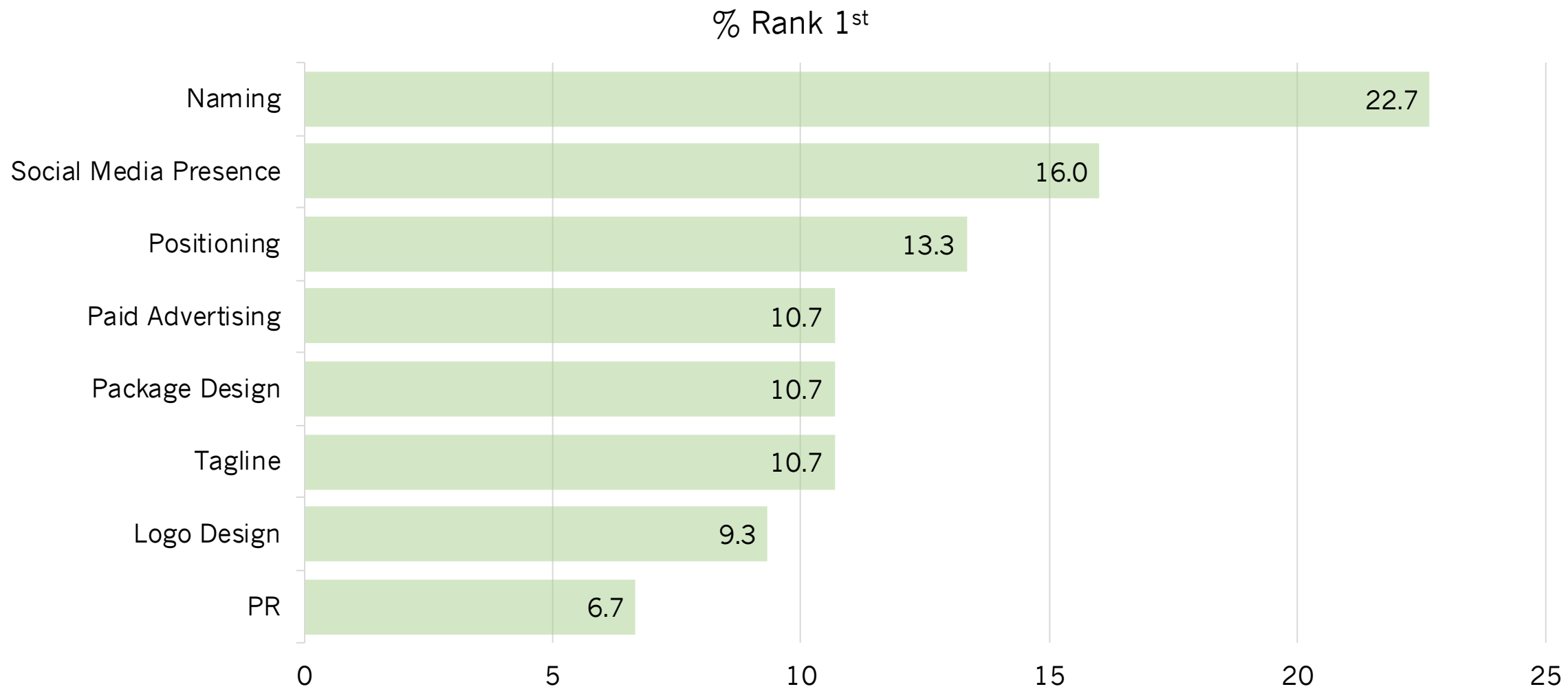
NAMING IMPORTANCE DRIVEN BY SMALLER COMPANY CMOs

% Rank 1st



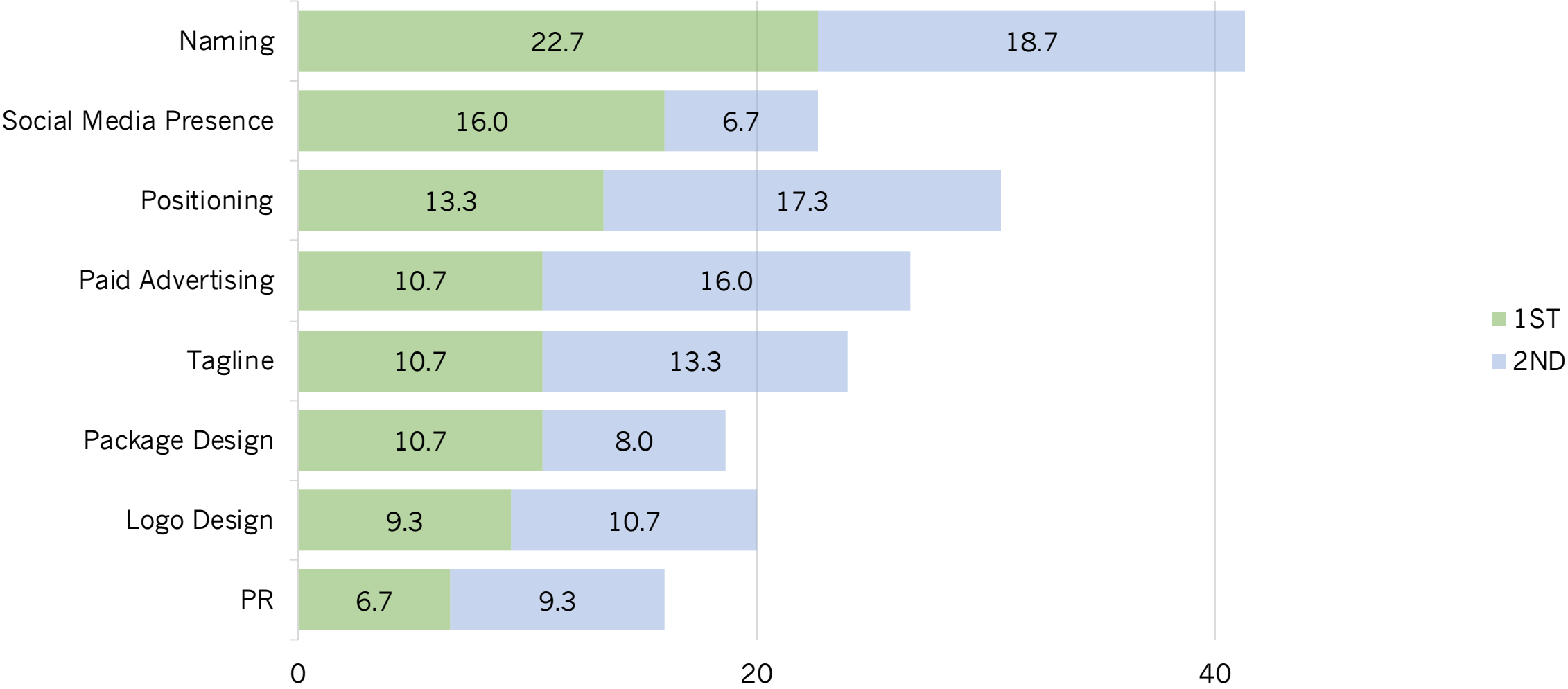
Q. When bringing a new brand to market, which marketing element do you consider most important to success?

NAMING MOST DIFFICULT TO GET RIGHT AMONG 1/4 of CMOs



Q. When bringing a new brand to market, which marketing element do you consider most difficult to get right?

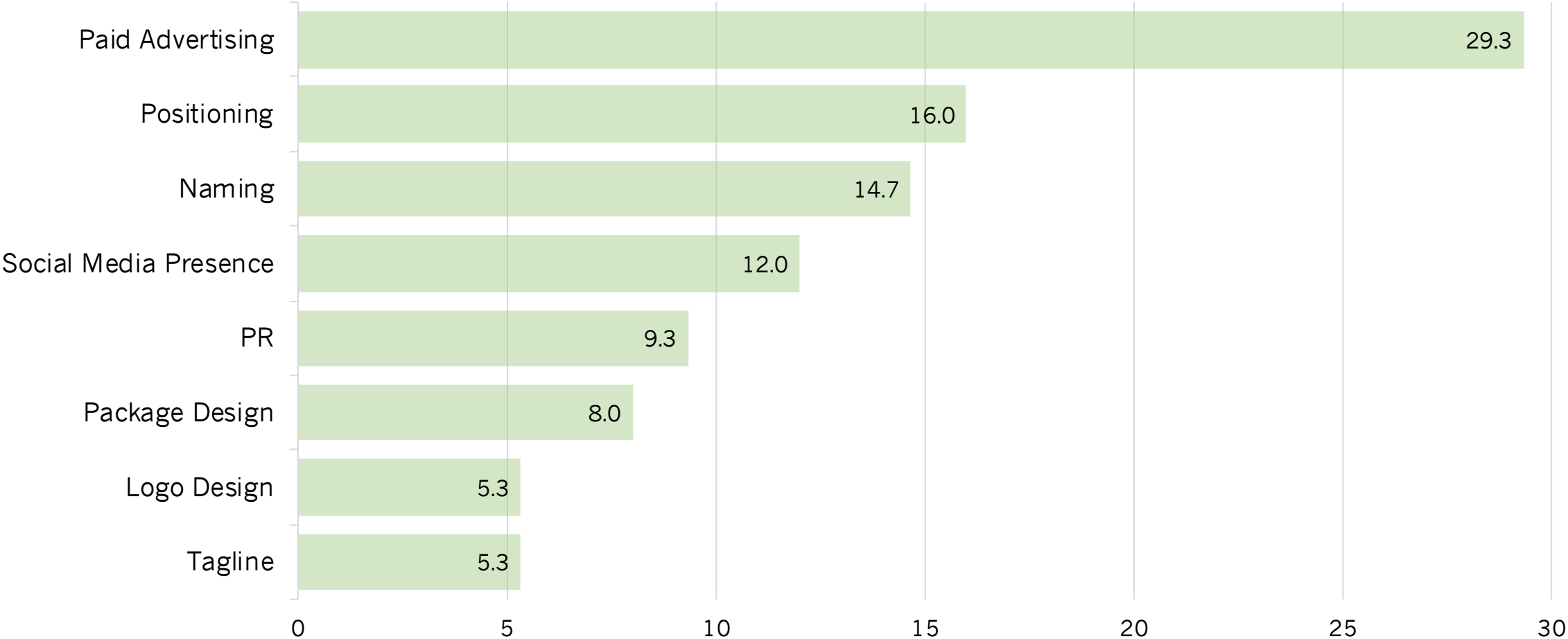
OVER 40% OF CMOs CLAIM NAMING MOST DIFFICULT TO GET RIGHT / % RANK TOP 2



Q. When bringing a new brand to market, which marketing element do you consider most difficult to get right?

PAID ADVERTISING & POSITIONING OUT RANK NAMING FOR FINANCIAL INVESTMENT

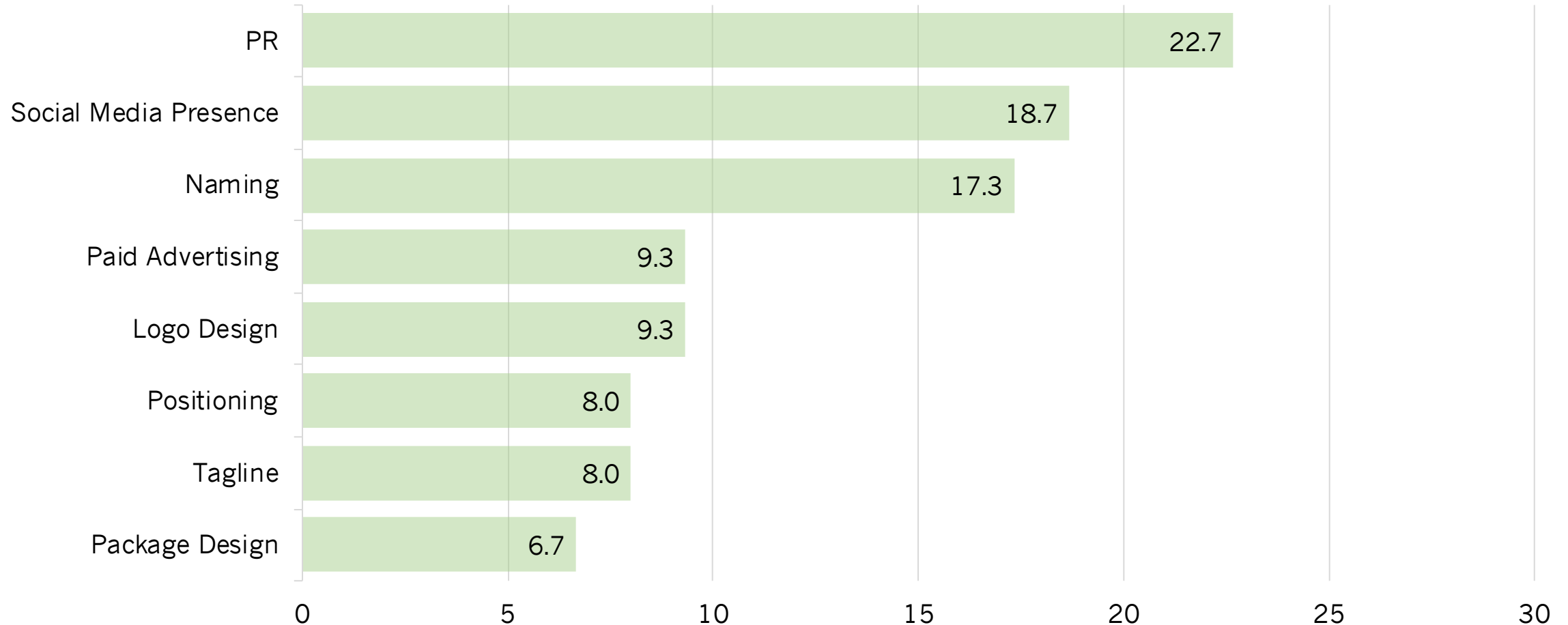
% Rank 1ST



Q. When bringing a new brand to market, which marketing element typically requires the greatest financial investment?

PR AND SOCIAL MEDIA OUT RANK NAMING FOR TIME INVESTMENT

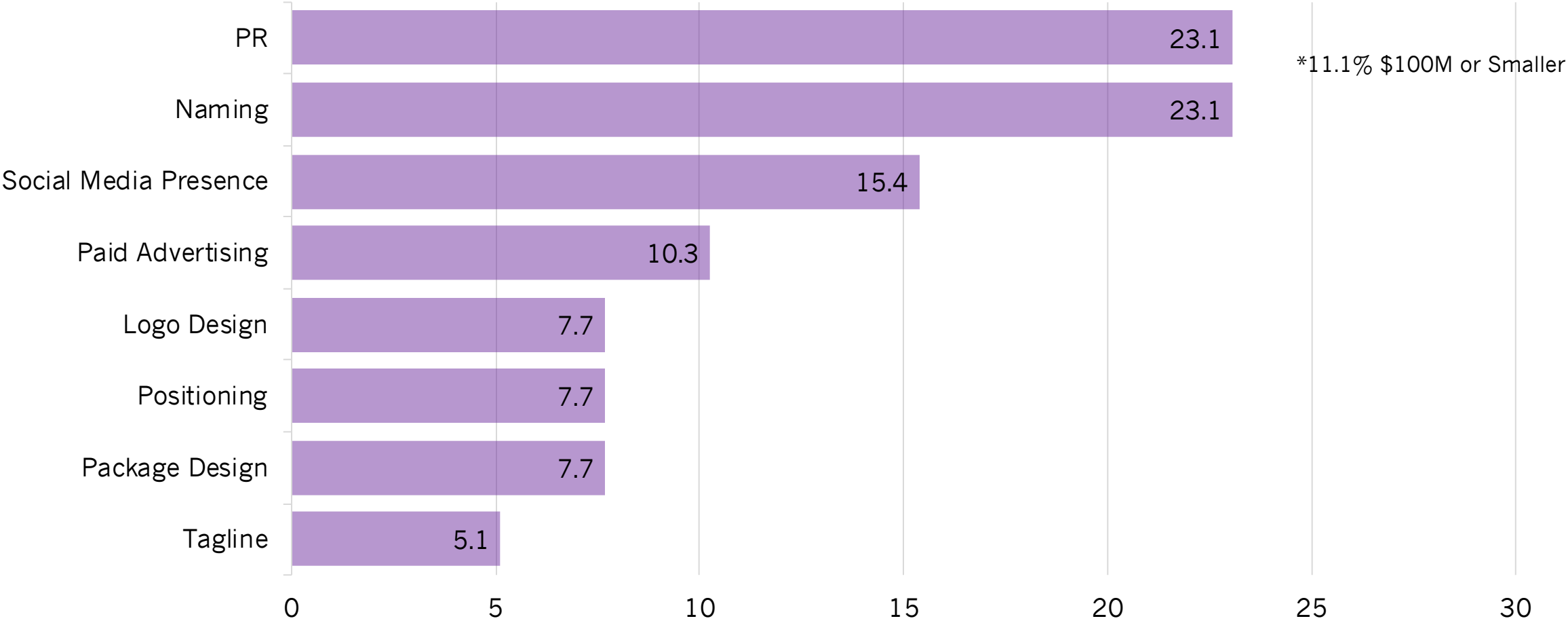
% Rank 1ST



Q. When bringing a new brand to market, which marketing element typically requires the greatest investment of time?

LARGER COMPANIES DRIVE TIME INVESTMENT POSITION FOR NAMING

% Rank 1ST

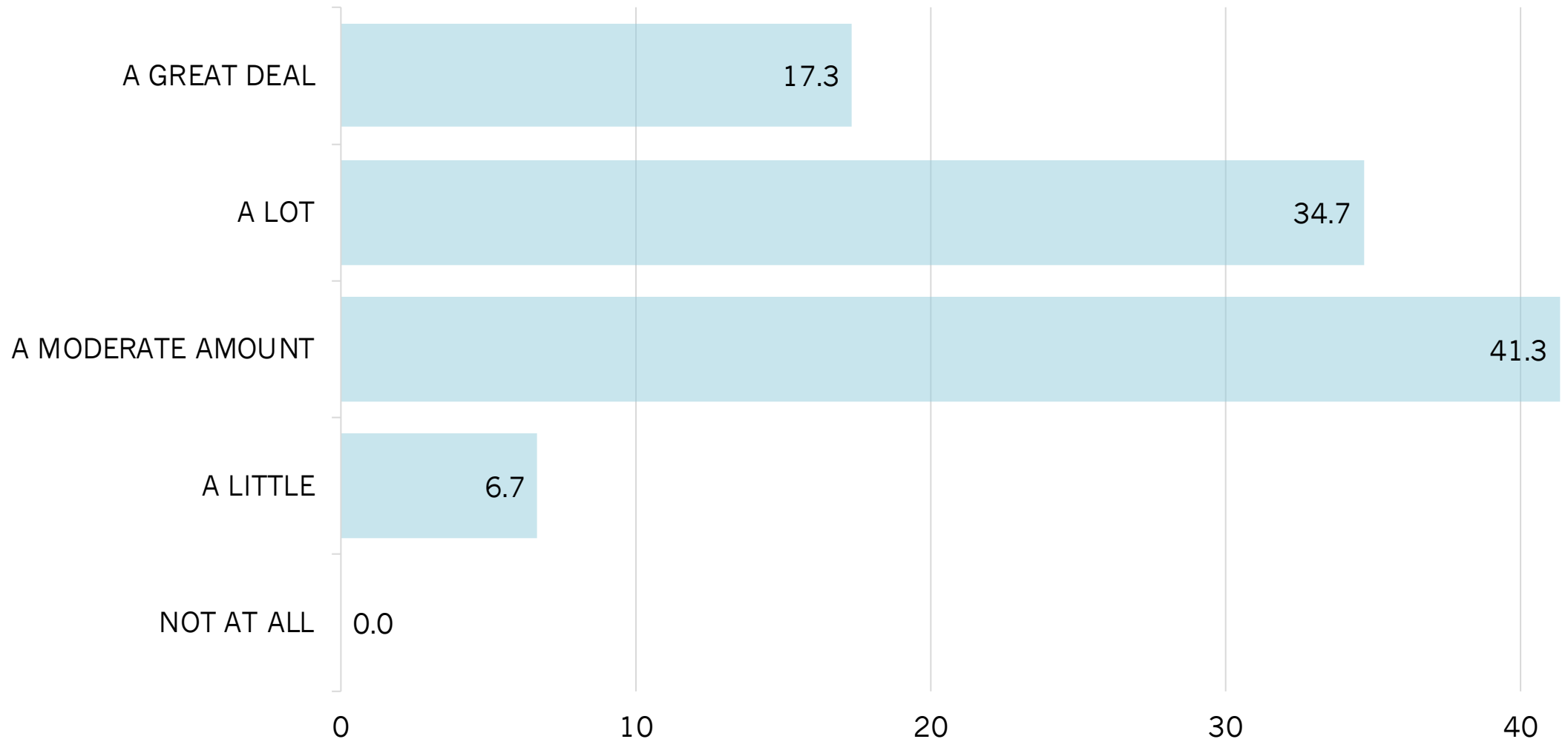


*11.1% \$100M or Smaller

Q. When bringing a new brand to market, which marketing element typically requires the greatest investment of time?

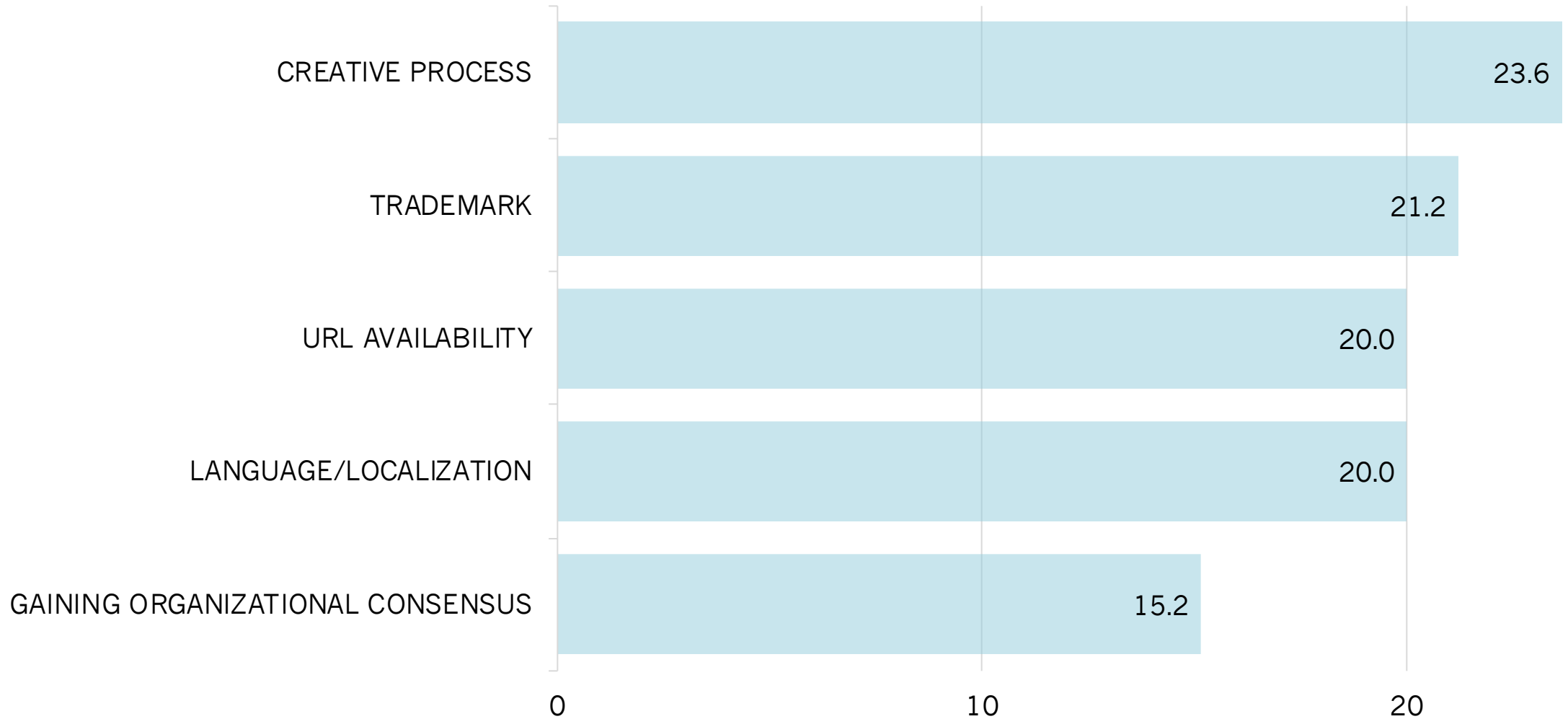
HOW HARD OR EASY IS NAMING?
WHY?

VIRTUALLY ALL SAY NAMING IS HARDER THAN 5 YEARS AGO



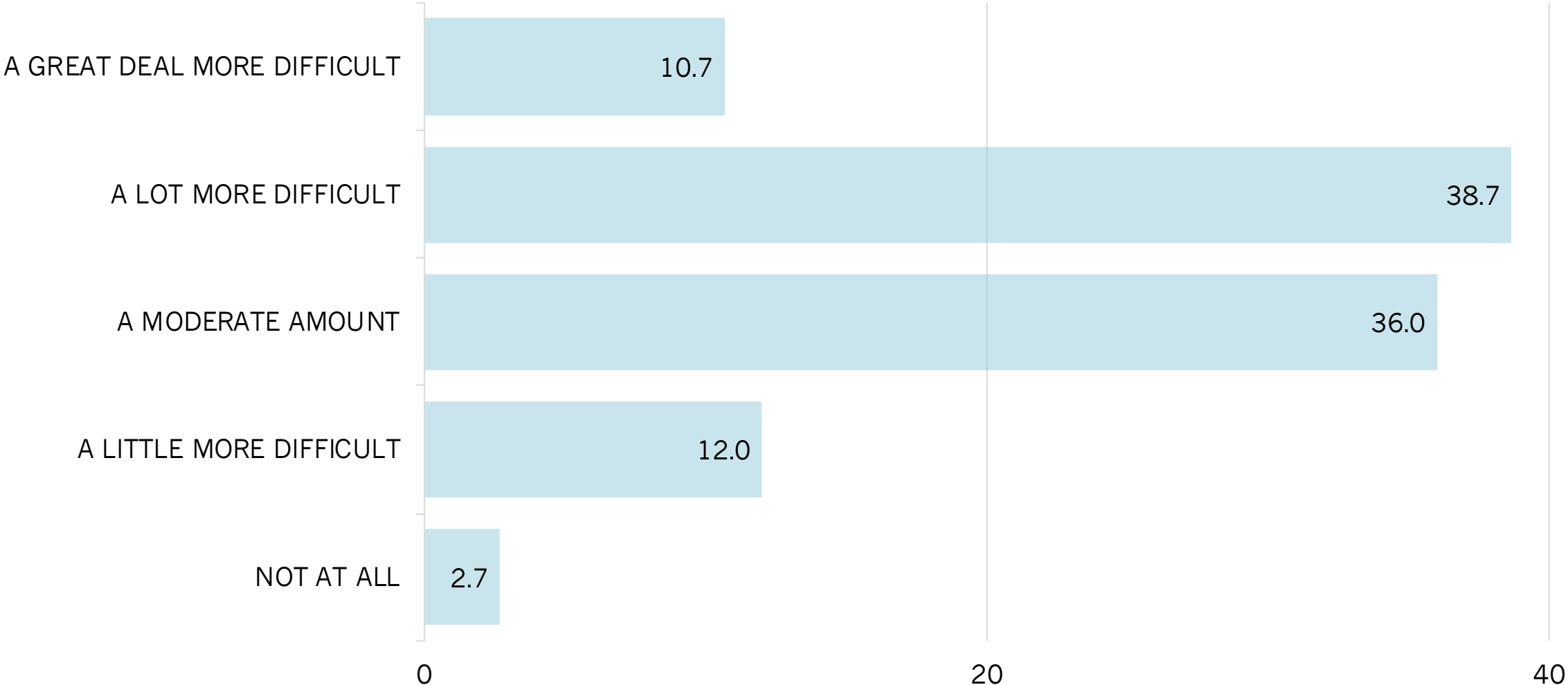
Q. How much harder is creating a name today that will stand-out and be trademarked than 5 years ago?

NO FACTOR DOMINATES IN MAKING NAMING HARDER NOW



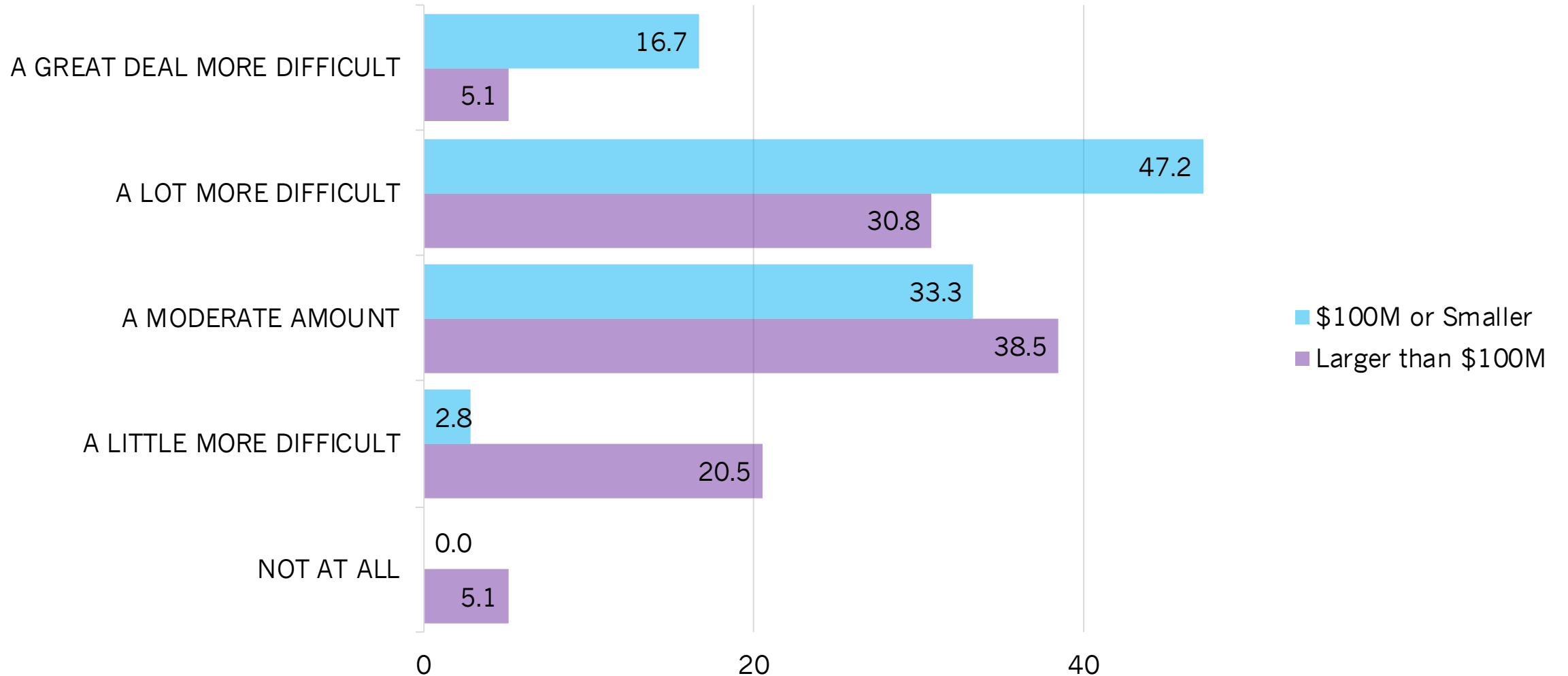
Q. What contributes to making naming harder now?

85% EXPECT NAMING TO BE MORE DIFFICULT IN 5 YEARS



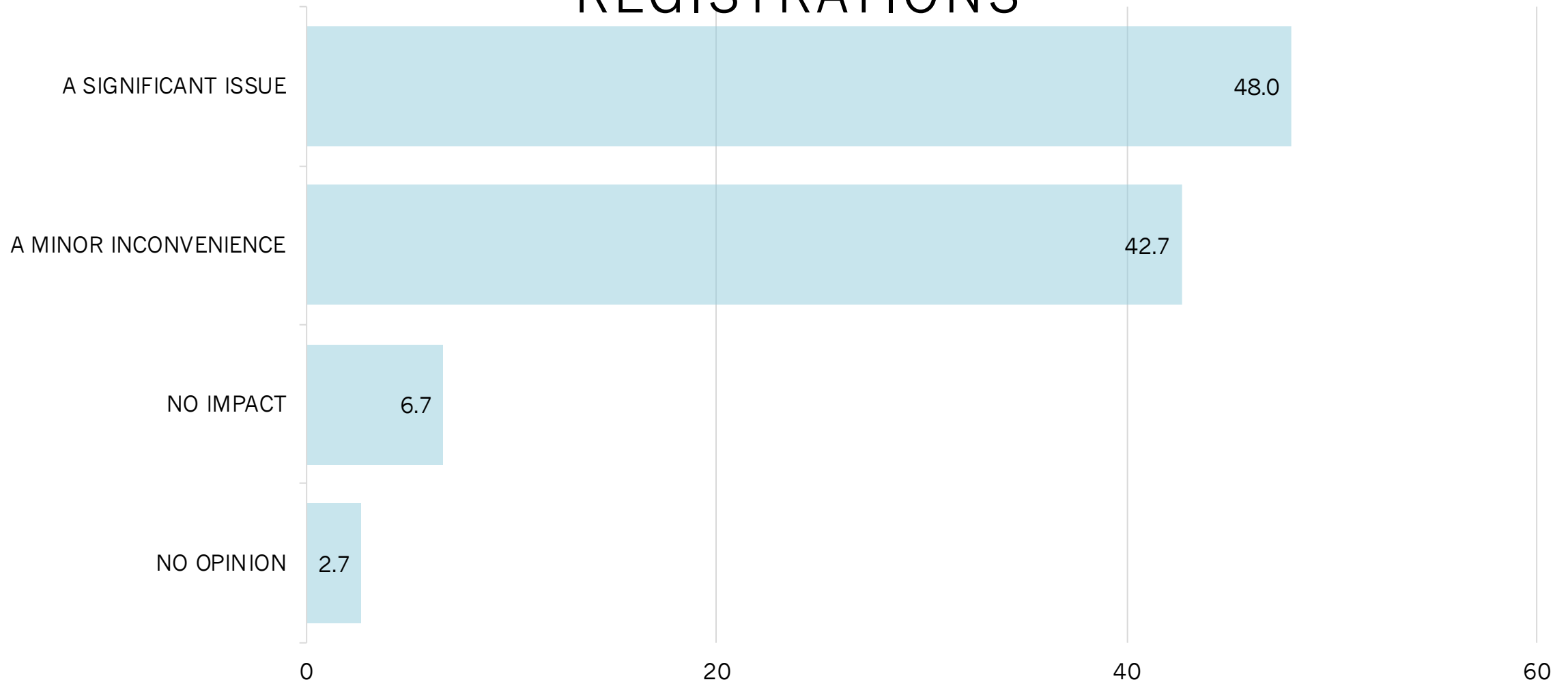
Q. Will product/company naming get more difficult in the next 5 years?

SMALLER COMPANIES SEE MORE DIFFICULTY AHEAD THAN LARGER COMPANIES



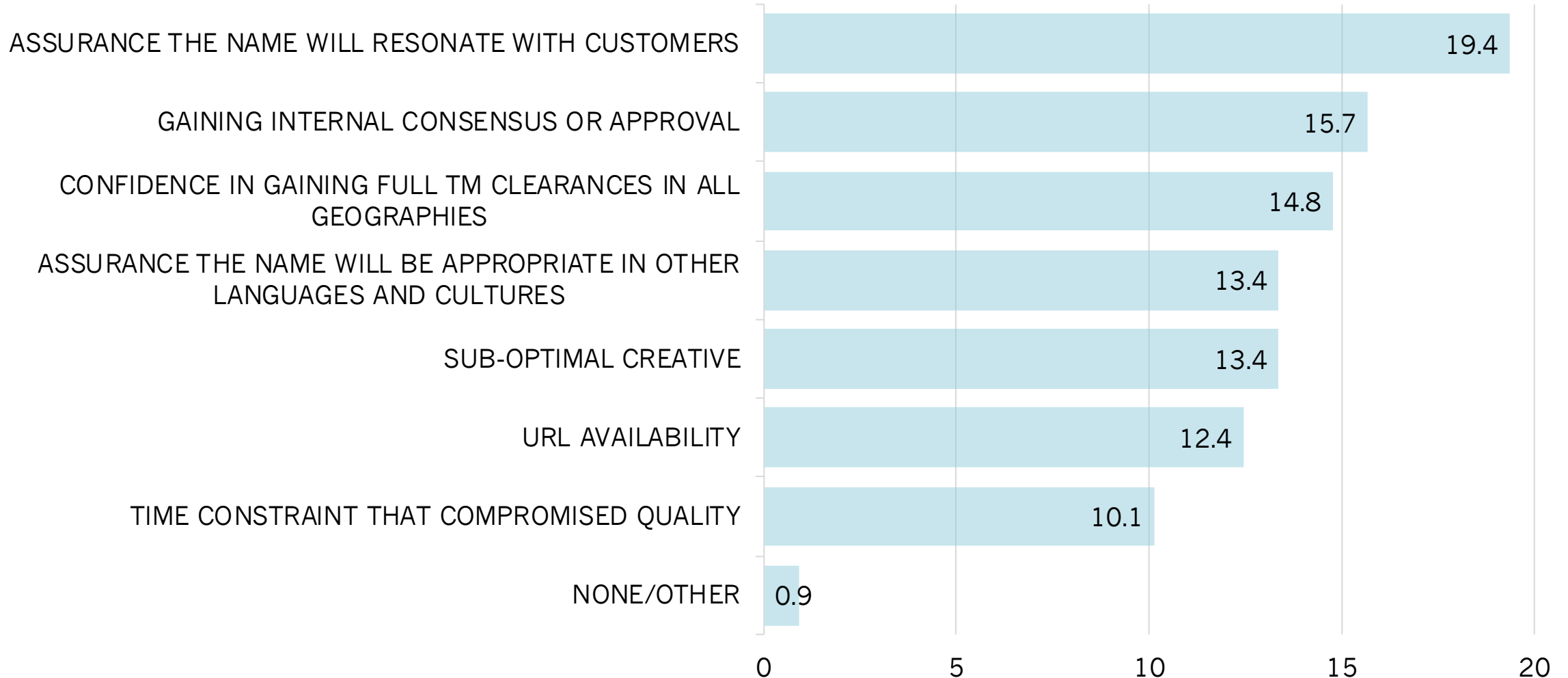
Q. Will product/company naming get more difficult in the next 5 years?

CMO'S SPLIT ON IMPACT OF 20 MILLION TM REGISTRATIONS



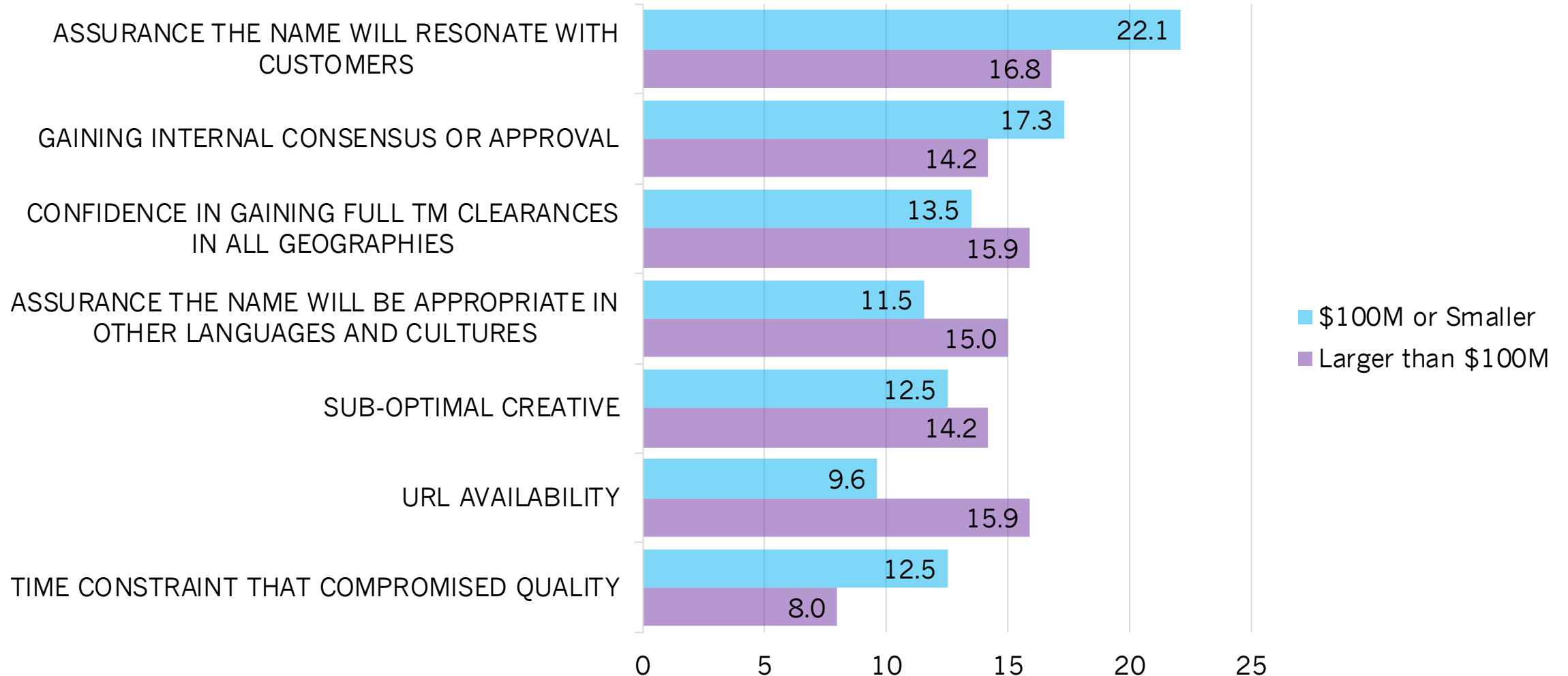
Q. In 2017, there were 14 million currently active trademark registrations in the US and EU. What would you imagine to be their impact on your business if that number were 20 million by 2020.

ASSURANCE OF CUSTOMER RESONANCE IS MOST COMMONLY ENCOUNTERED DIFFICULTY



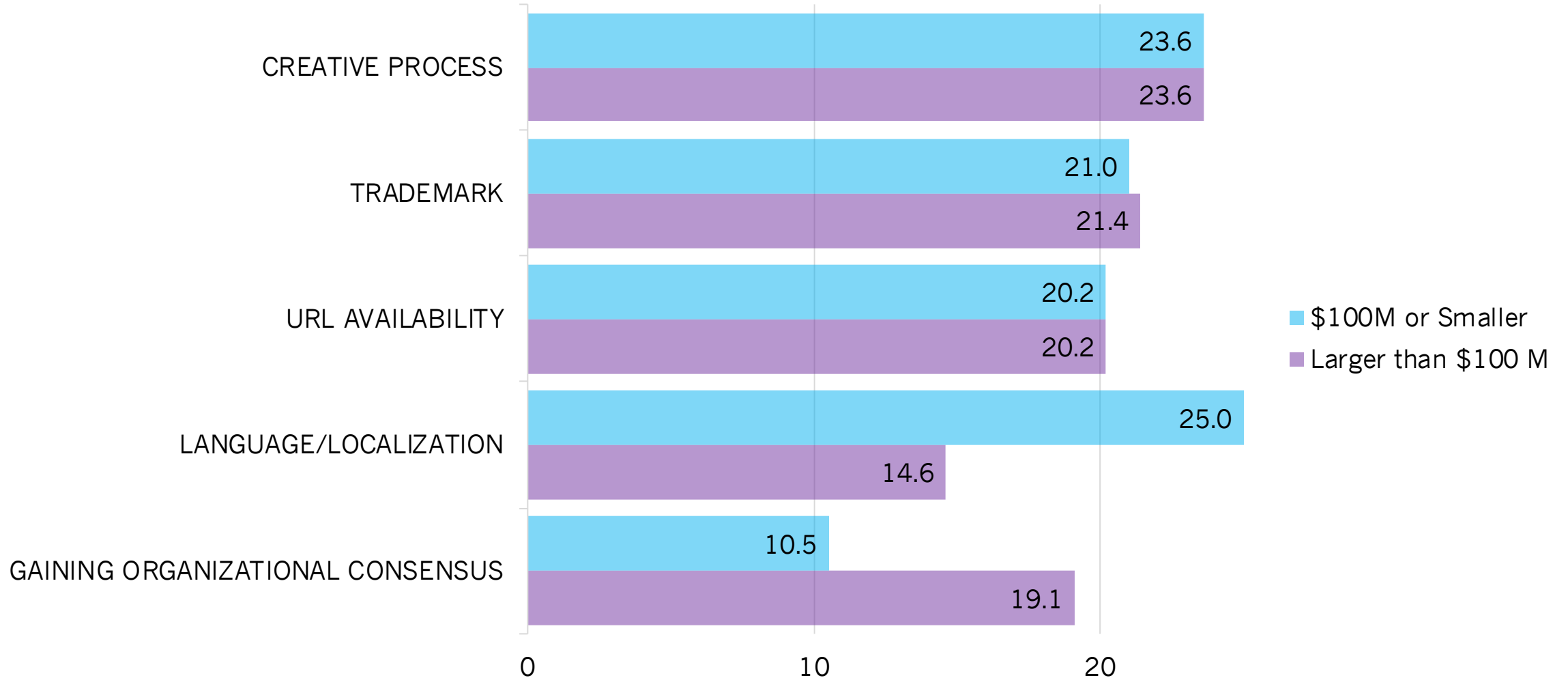
Q. Which of the following difficulties have you encountered with the creation of a new brand name?

ASSURANCE OF CUSTOMER RESONANCE LEADS DIFFICULTY BY A LARGER MARGIN AMONG SMALLER COMPANIES



Q. Which of the following difficulties have you encountered with the creation of a new brand name?

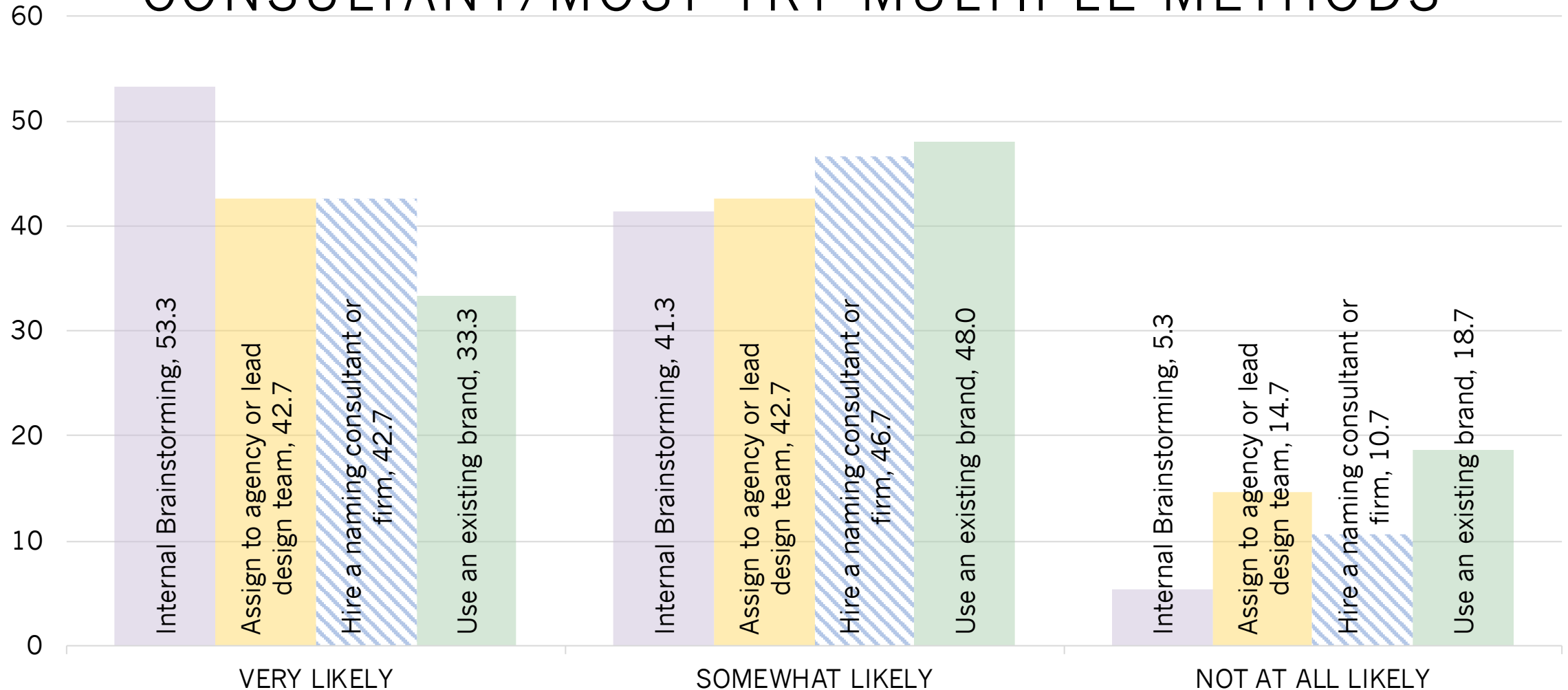
AMONG SMALLER COMPANIES *GLOBALIZATION* CONTRIBUTES MOST TO MAKING NAMING HARDER



Q. What contributes to making naming harder now?

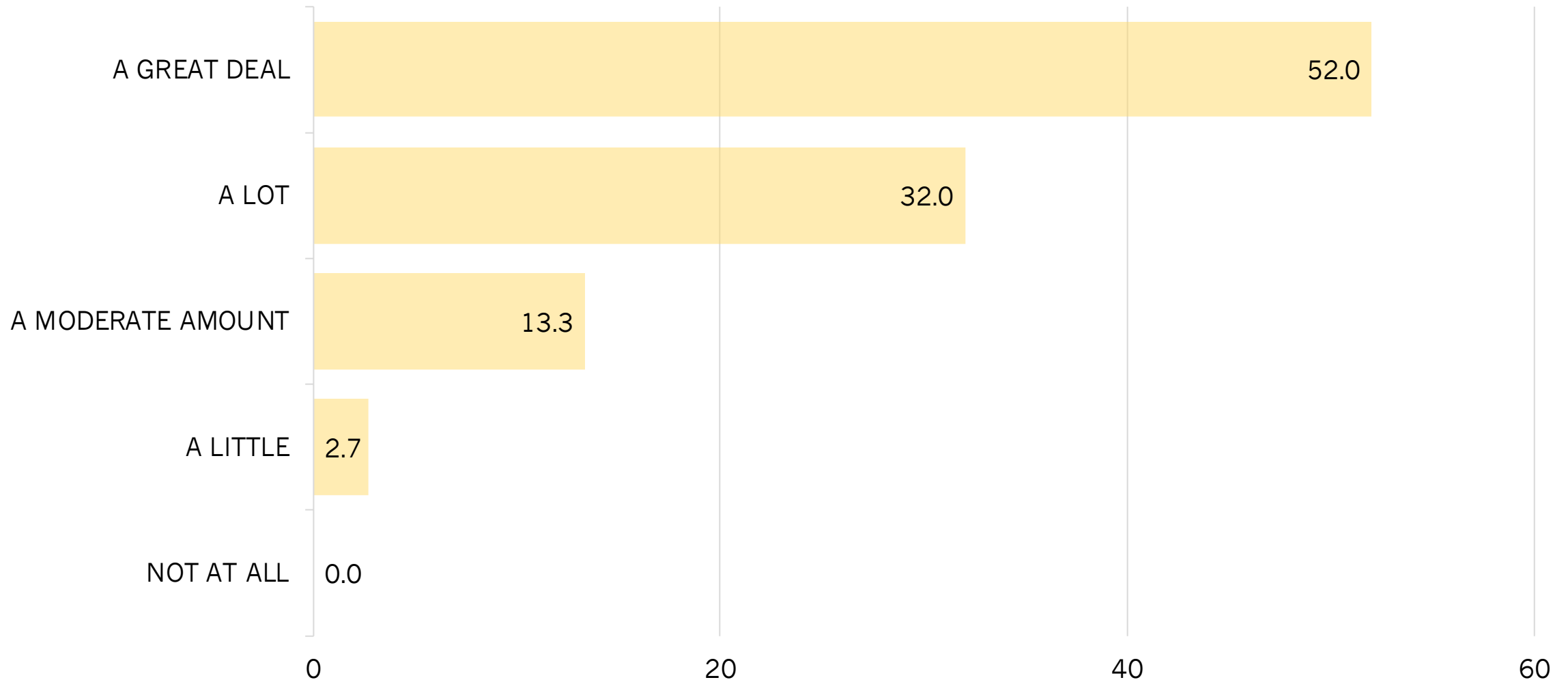
HOW DOES NAMING GET DONE?
WHAT DO CMOS VALUE?

FOR NEW NAMES 43% ARE VERY LIKELY TO HIRE NAMING CONSULTANT/MOST TRY MULTIPLE METHODS



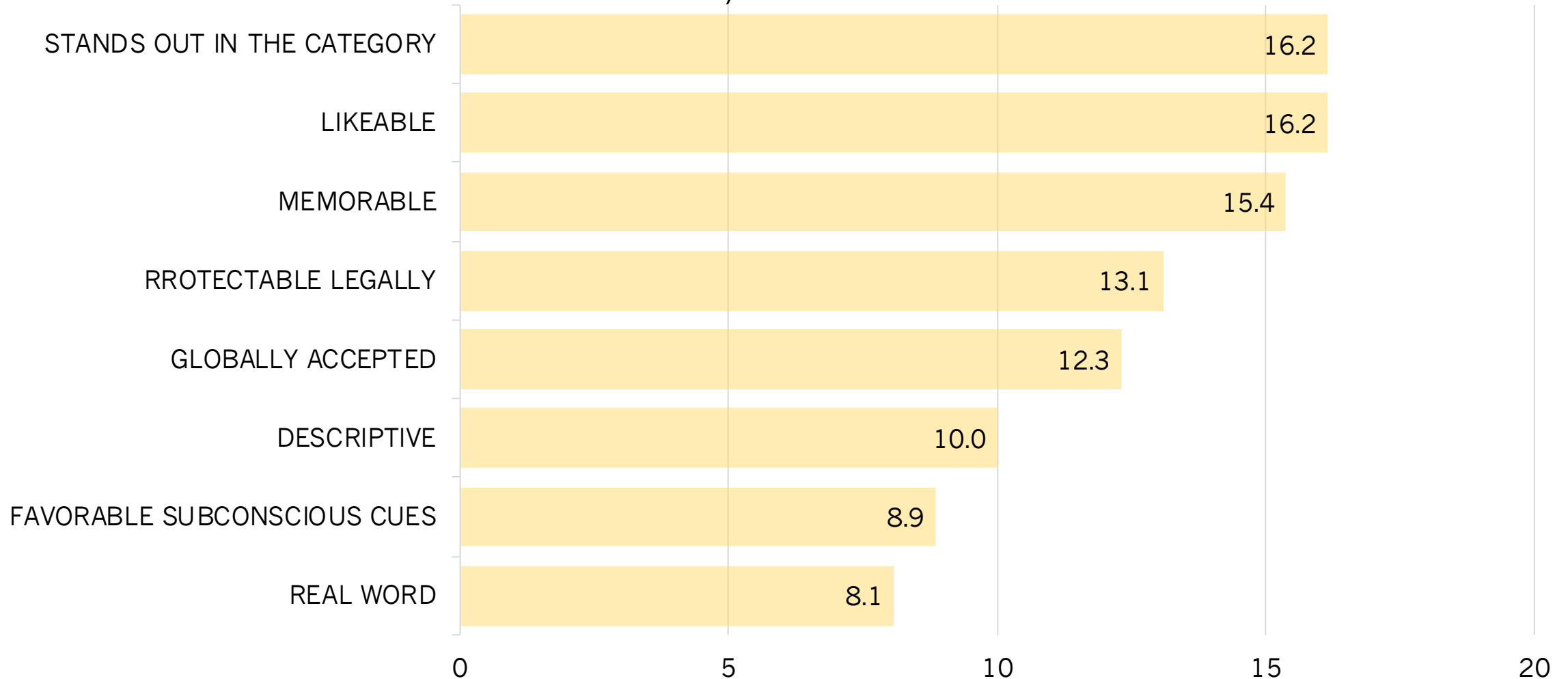
Q. How likely are you to do each of the following as part of your approach for naming new products or initiatives you're planning in the next 18 months?

84% TRUST THEIR NAME TESTING METHODS



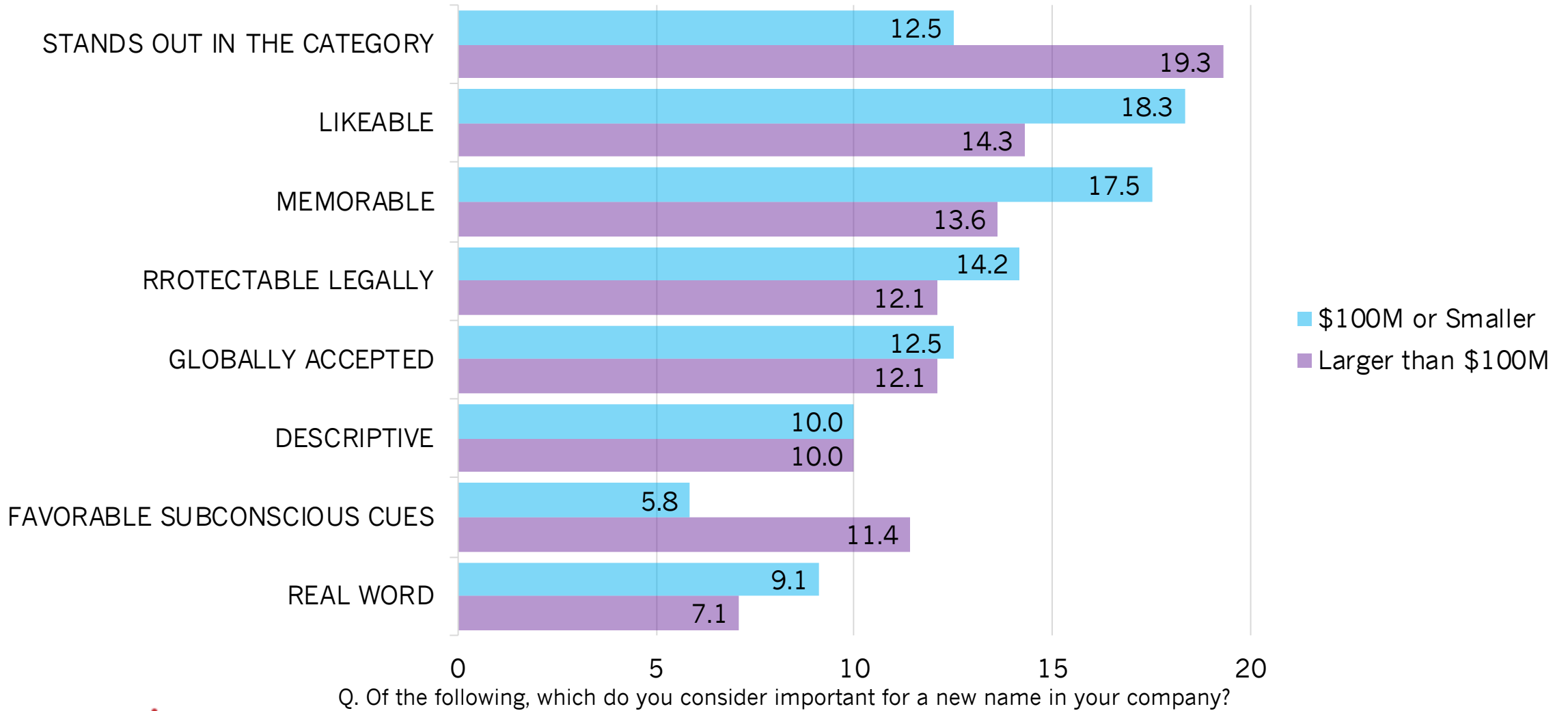
Q. How much do you trust your method(s) for testing names?

MOST IMPORTANT IN A NEW NAME—*STANDING OUT, LIKEABLE, MEMORABLE*



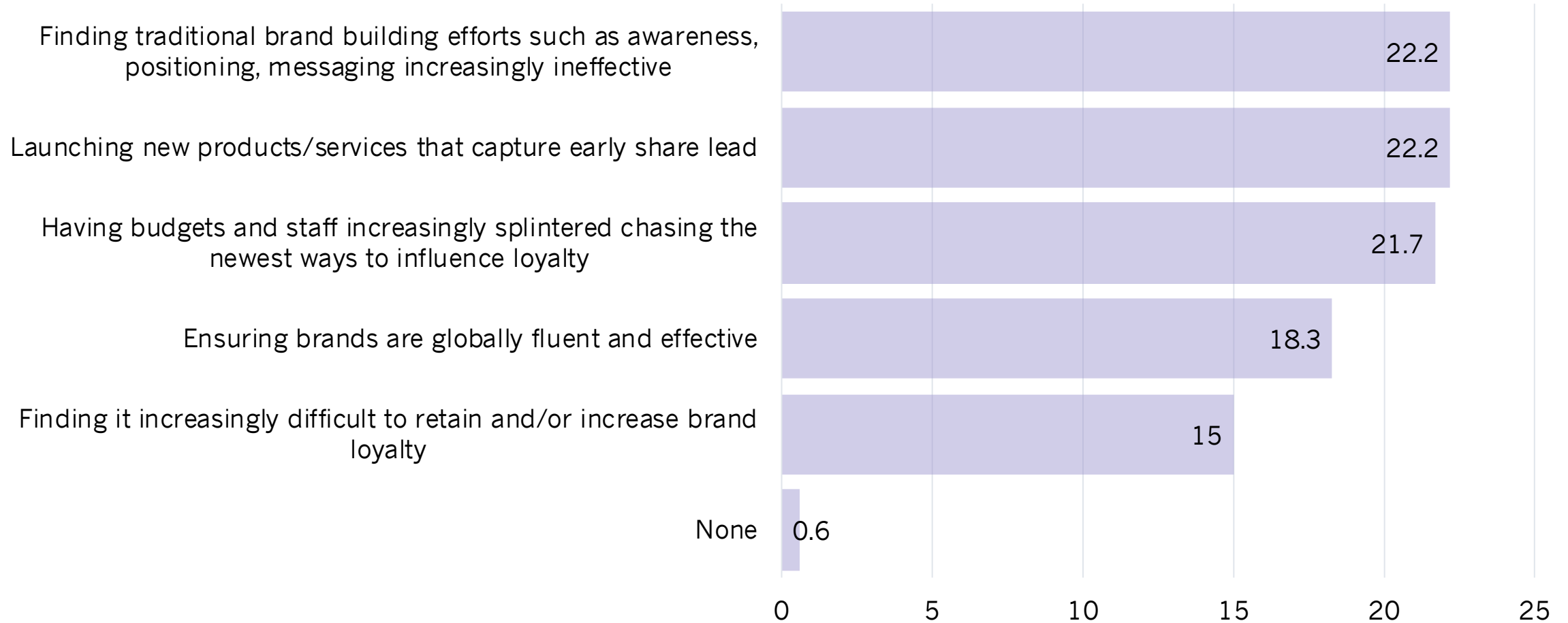
Q. Of the following, which do you consider important for a new name in your company?

SMALLER COMPANIES DRIVE INTEREST IN—*LIKEABLE*, *MEMORABLE*



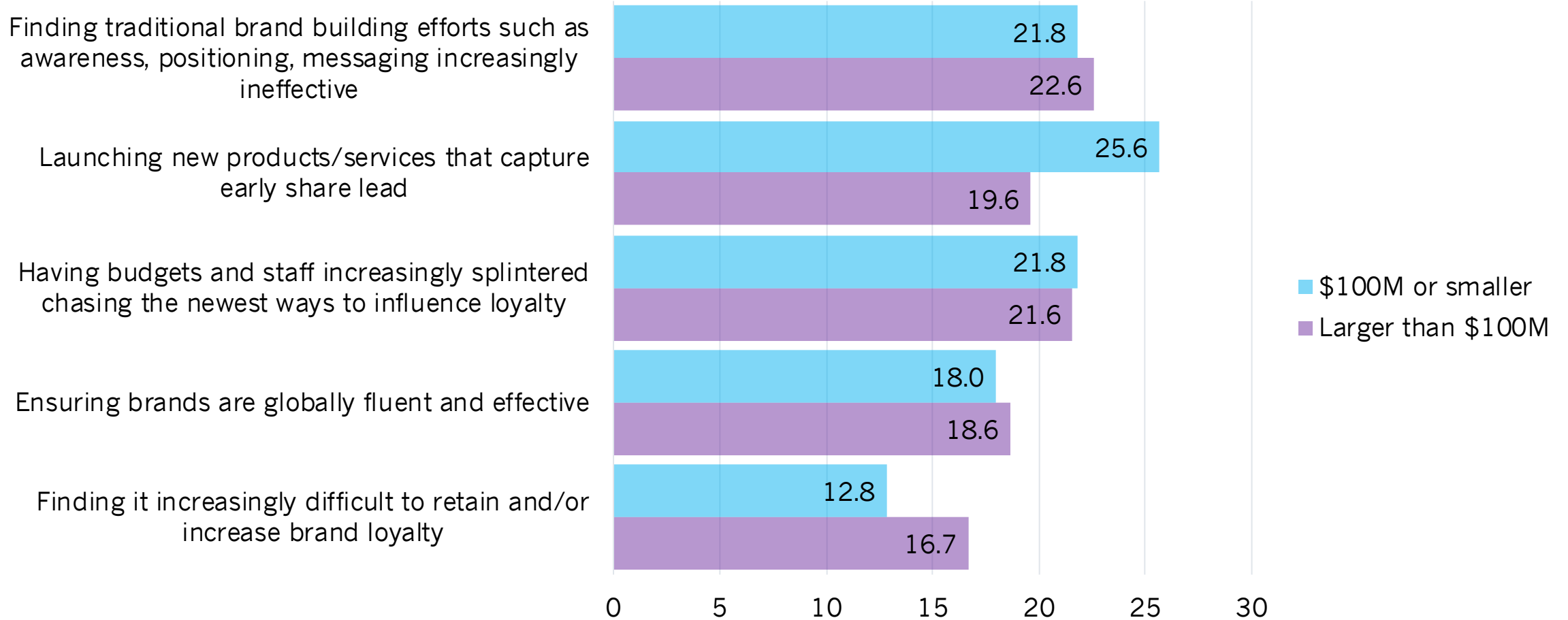
WHAT ISSUES ARE MOST IMPORTANT?
WHERE DOES GLOBAL FLUENCY RANK?

FEWER THAN 20% CONSIDER *GLOBAL FLUENCY* AN ISSUE



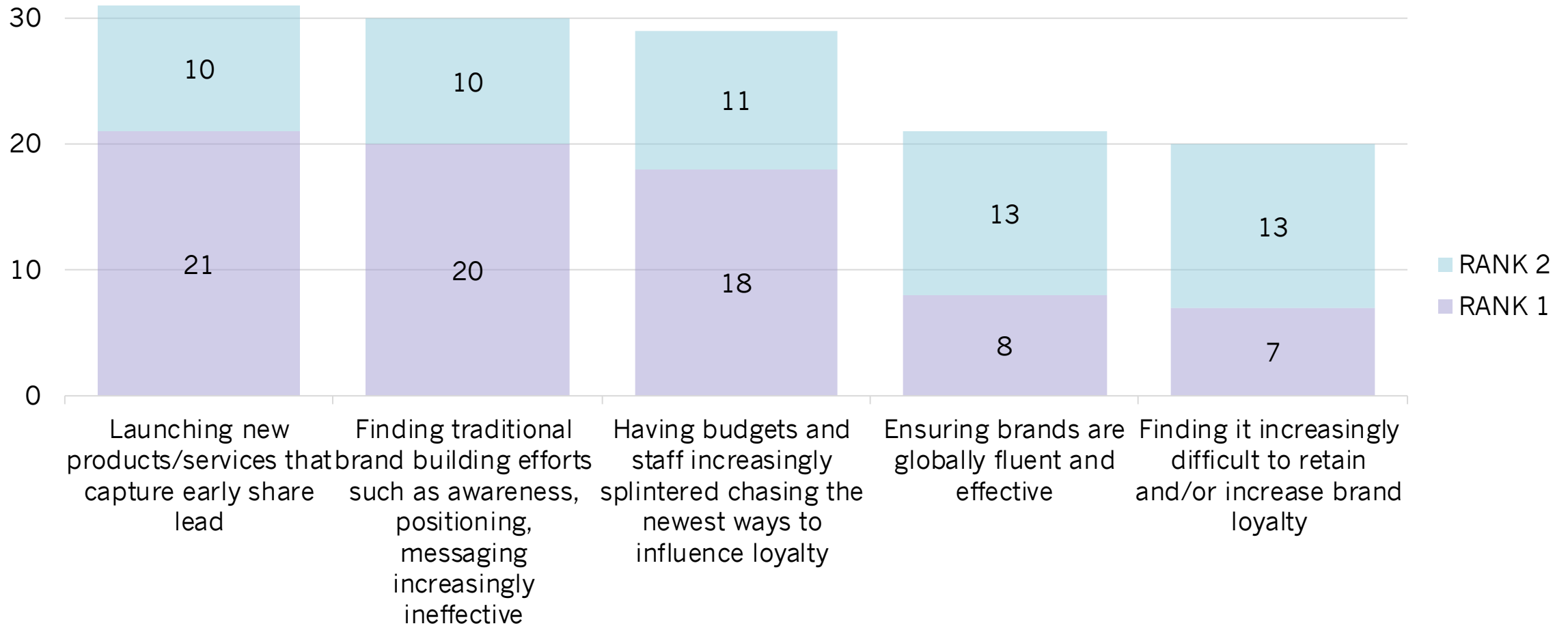
Q. Which of the following are issues you currently face in your capacity as CMO?

EARLY SHARE LEAD IS STRONGER ISSUE WITH SMALLER COMPANIES



Q. Which of the following are issues you currently face in your capacity as CMO?

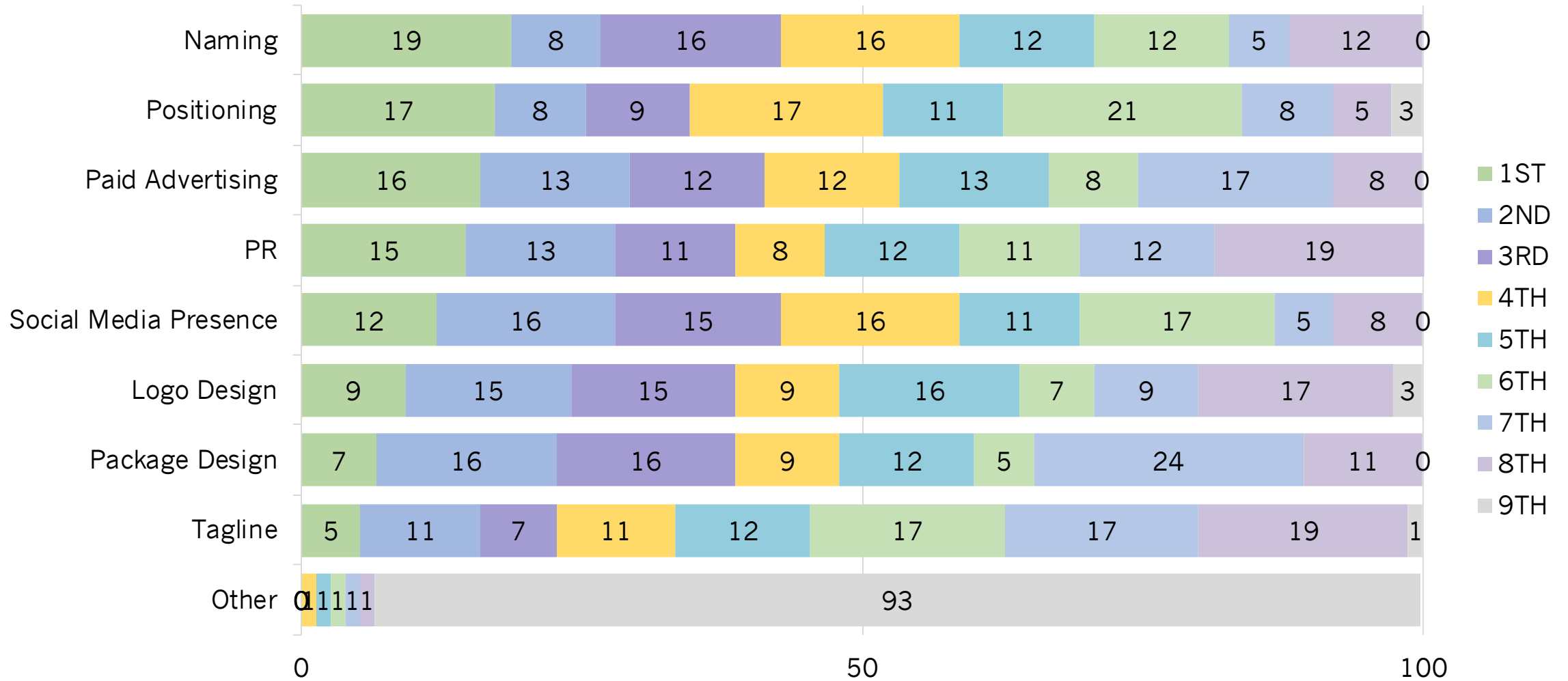
21/75 RANK GLOBAL FLUENCY IN TOP 2



Q. Of the issues you currently face, which is most significant?

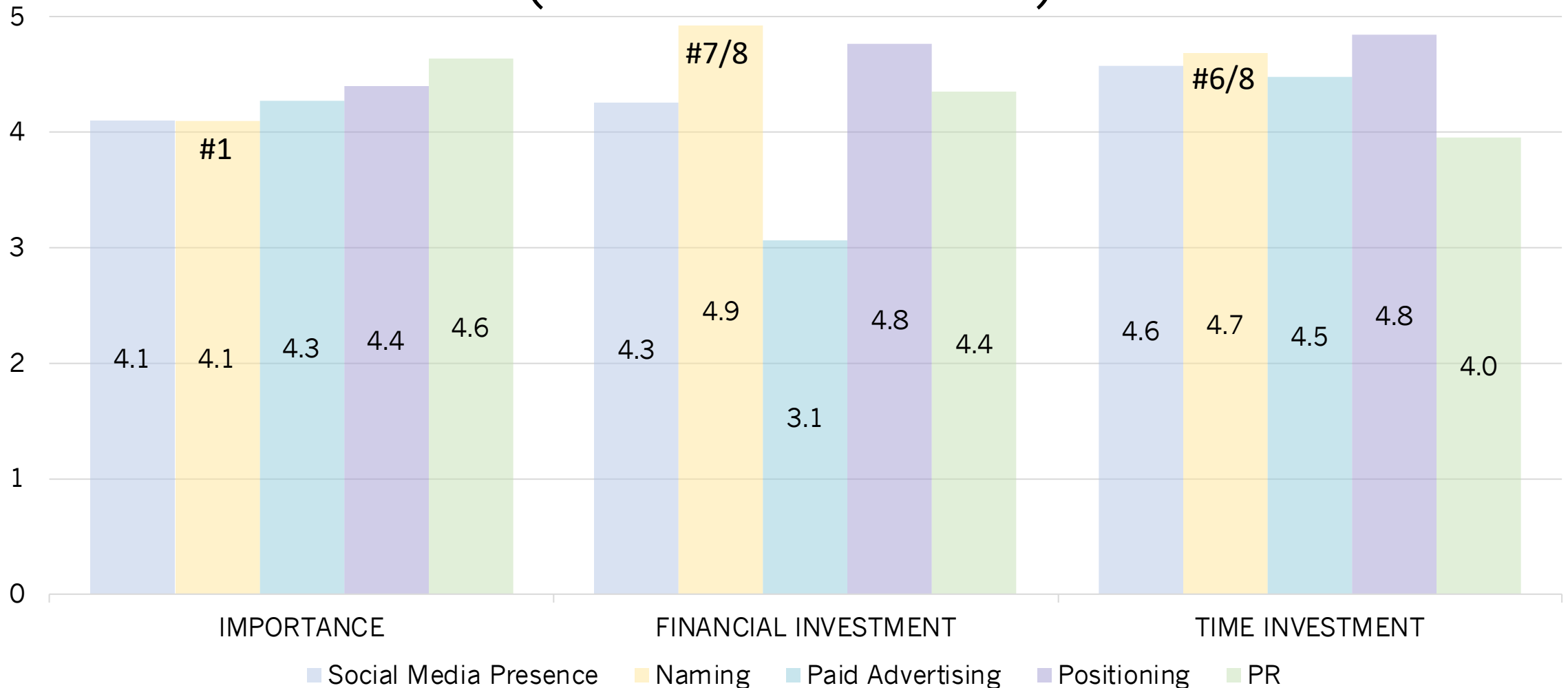
Appendix

IMPORTANCE TO NEW BRAND SUCCESS/% RANK



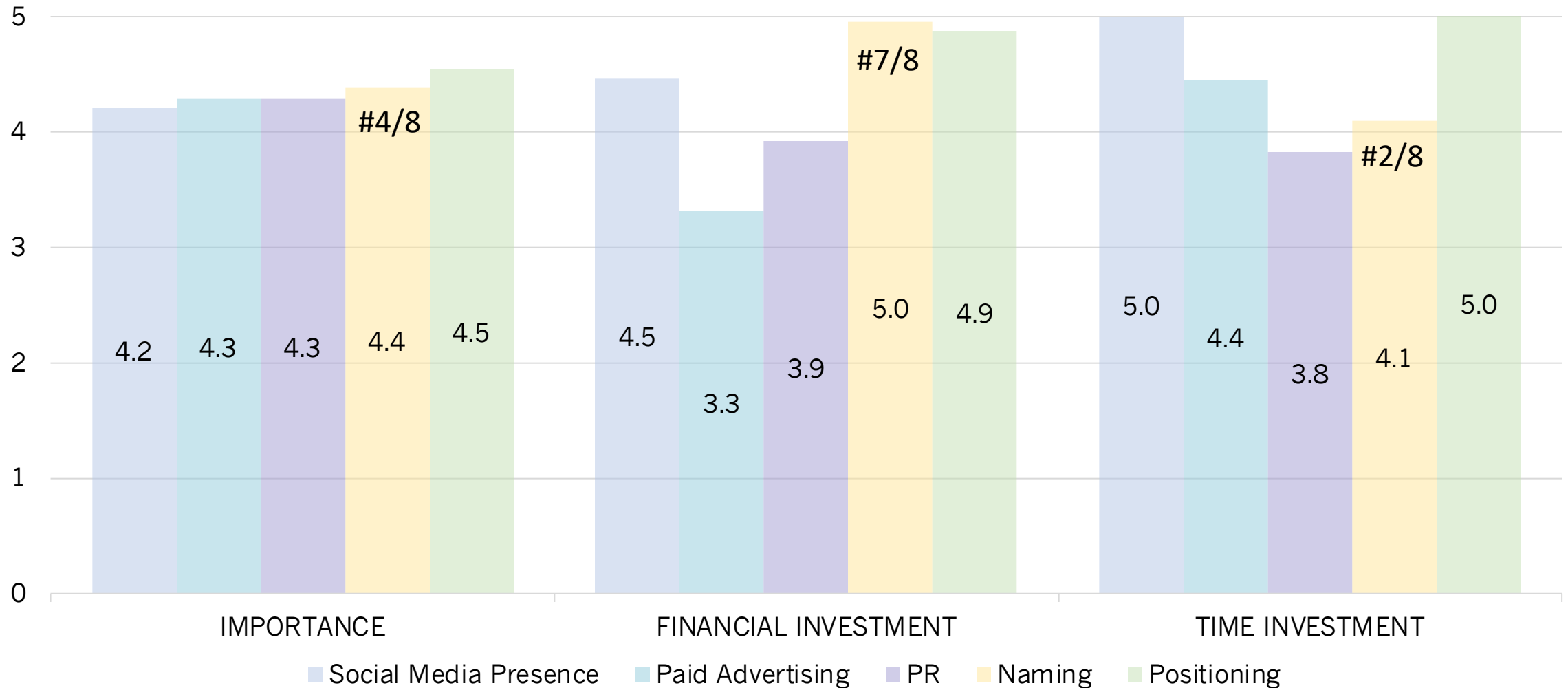
Q. When bringing a new brand to market, which marketing element do you consider most important to success?

INVESTMENT/IMPORTANCE GAP FOR NAMING EXISTS (BASED ON MEAN)

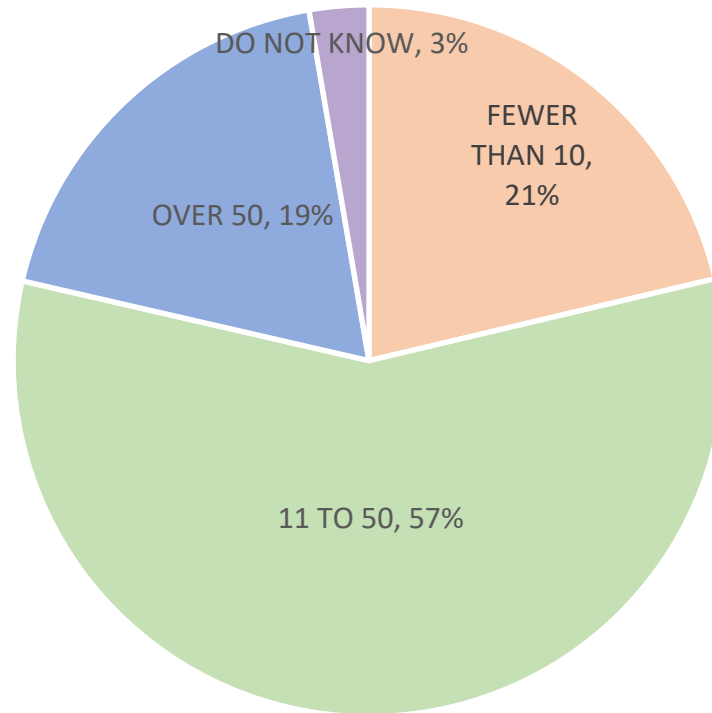


With mean scores lower number is better than higher number

AMONG LARGER COMPANIES, THE GAP NARROWS (MEAN)

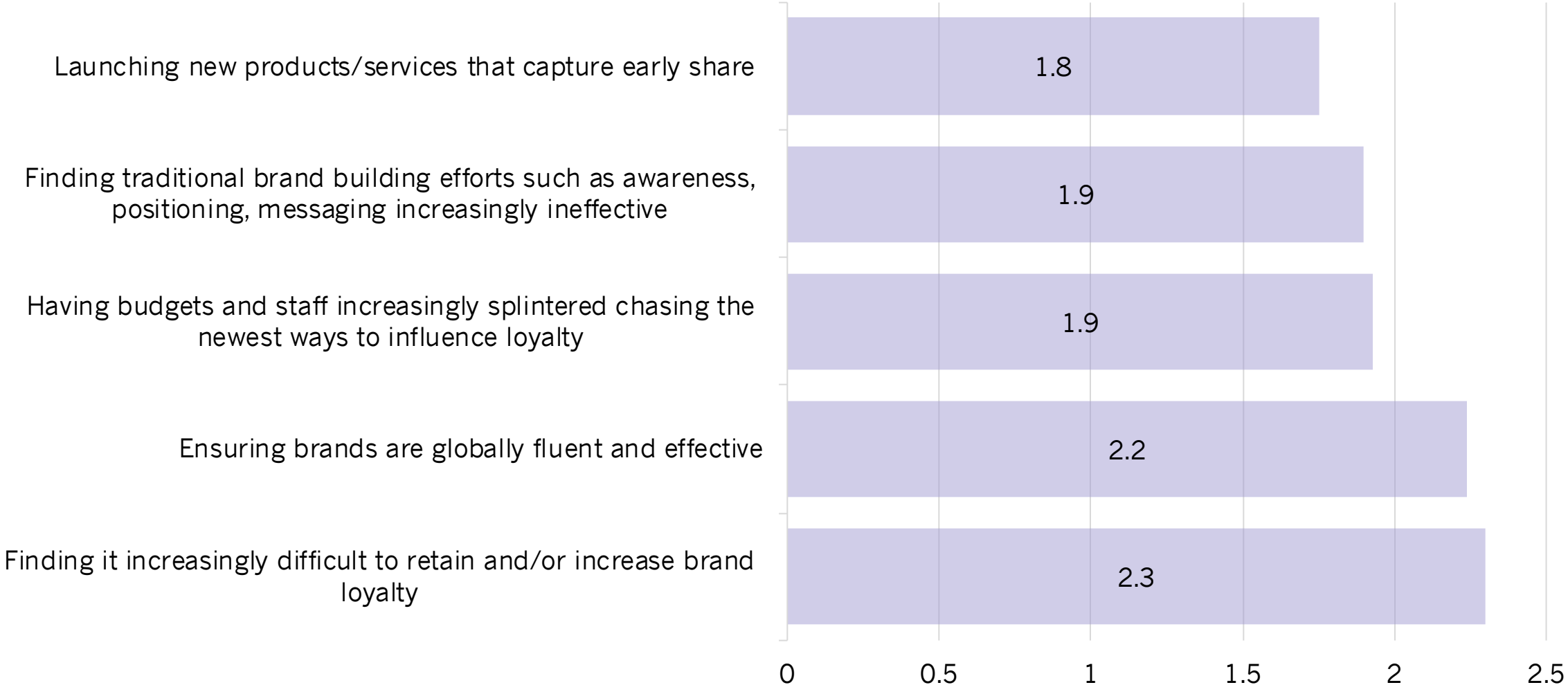


With mean scores lower number is better than higher number



REGISTERED TRADEMARKS

MEAN DOES NOT SHIFT ORDER OF ISSUE IMPORTANCE



Q. Of the issues you currently face, which is most significant? With mean scores lower number is better than higher number

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