

The Word of Mouth Marketing Blog



Word of Mouth Research: Brand names that are easy to pronounce outperform complex brand names on the NYSE

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A study highlighted in [Yes! 50 Scientifically Proven Ways to Be Persuasive](#) — the fantastic book by Noah J. Goldstein, Steve J. Martin, and Robert B. Cialdini — revealed that companies with names that were easy to pronounce outperformed companies with complicated names on the stock market.

In both controlled studies using fictitious company names as well as real-world samplings of brands traded on the NYSE, researchers Adam Alter and Daniel Oppenheimer found that companies with highly-fluent names consistently outperformed brands with complicated names.

In one experiment using a random sampling of 89 companies traded on the NYSE with IPOs between 1990 and 2004, Alter and Oppenheimer found that if a person invested \$1,000 in the 10 most fluently named companies and the same amount in the 10 least fluently named companies, the investment in the first group would outperform the second group by \$333 in just one year.

The Lesson: Don't shoot your word of mouth (and the overall potential of your brand) in the foot by giving yourself or your products names that are difficult to pronounce, search for online, or share with a friend.

Learn More: [See the study](#)

[Update: After double-checking the research results, it looks like our original title of "Word of Mouth Research: Brand names that are easy to pronounce are worth 33% more on the NYSE" is at best merely plausible, and at worst, just plain wrong. Apologies for any confusion, here's the actual figures from the study:

"To emphasize just how successful investing in fluently named stocks would be, we calculated how much a \$1,000 investment would yield when invested in a basket of the 10 most fluently named shares and the 10 most disfluently named shares. The fluent basket would have yielded a significantly greater profit at all four time periods: \$112 after 1 day, \$118 after 1 week, \$277 after 6 months (all Ps < 0.05), and \$333 after 1 year (P < 0.10)!"