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# Company names and their influence on company productivity

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## Summary

- Our analysis reveals that a company's name may be related to its economic productivity. The name's alphabetical position, the use of "national"<sup>4</sup> words, and the inclusion of English phrases within the name all play a role.
- This study looks at the association between certain characteristics of a company's name and growth in the company's turnover, growth in value added and profit from shares using company data from 17 EU countries over a period of more than 15 years. We distinguish between companies in countries where Romance languages, Slavic languages and Germanic languages are spoken. The effects of company names vary across these language-country groups.
- The link between the alphabetical position of the name and the company's economic productivity is strongest in the services sector. For example in France and Poland moving the company's name from the end of the alphabet to the beginning can result in increased turnover by as much as two percentage points.
- The influence of "national" words in the company's name is connected with higher long-term growth in turnover, in particular in Poland, France and Norway. In Poland the use of "national" words can increase long-term growth in turnover by nearly four percentage points.
- The influence of including English words in the company's name varies across the language-country groups. While in the Romance group English words have a negative influence, in Germanic group of countries they have mixed effects, and in Slavic language speaking countries they have a clear positive effect.
- This study adds to existing analyses in the field of marketing and linguistics that have focused in particular on the origin of brand and company names, and to research into the effects of company names on share profits.

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<sup>4</sup> These are the English and national names of the countries and names of the big cities related to the feeling of patriotism. For Czechs, for example, they are CZECH CESH \* PRAGUE BRNO BOHEMIA MORAVIA, for Slovakia the national keywords are SLOVAKIA, SLOVENSK \*, BRATISLAVA and KOSICE (\* denotes all fall endings), while for Norway they are NORGE, NORD, NORSK, NORWAY, OSLO and BERGEN, etc.