The Role of Business Naming in Entrepreneurial Strategy: A Study of South African Small Businesses

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Abstract: Objectives: This study investigates the strategic significance of business naming among South African small enterprises, focusing on how naming practices align with entrepreneurial strategies as defined in Michael Porter's generic framework. **Prior Work**: While business naming plays a pivotal role in shaping brand identity and influencing market positioning, scholarly focus has largely centered on larger corporations, leaving the naming practices of small enterprises relatively underexplored. Existing studies emphasize that large firms often employ strategic resources and branding expertise to develop names that align with broader corporate strategies. In contrast, the onomatological practices of small businesses are shaped by different constraints and considerations, including limited resources and more personal or informal approaches to brand identity. This research builds on these insights by examining how small business naming practices in South Africa intersect with strategic frameworks, particularly Porter's generic strategies, thus contributing to a more nuanced understanding of brand development in resource-constrained contexts. **Approach:** Using a qualitative approach, the study draws on interview data from 20 small businesses to analyse naming patterns. It categorises names into four dominant groups: descriptive, founders' or family-based, religion-inspired, and arbitrary, linking each to a relevant strategic orientation such as cost leadership, differentiation, or focused strategies. **Results:** The findings reveal that business names serve as more than identifiers; they act as strategic tools for brand positioning, market segmentation, and cultural expression. Many naming decisions were found to be deeply rooted in personal values, cultural heritage, and business ambitions. **Implications:** These insights suggest that naming can be a deliberate and effective mechanism for competitive differentiation and customer engagement, particularly in resource-constrained small business

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environments. **Value:** This study contributes to the literature on entrepreneurship by linking naming practices with strategic intent, and it underscores the need for further exploration into sector-specific naming patterns and consumer responses to business names.

Keywords: business onomastics; branding; small businesses; onomatology

JEL Classification: M13; M21

1. Introduction

Business names are a crucial determinant of visibility, market access, and customer loyalty. Business names serve as more than mere identifiers, they are strategic tools that reflect entrepreneurial intent, market positioning, and brand identity. In the context of small enterprises, particularly within emerging economies like South Africa, the naming of a business often reveals underlying values, cultural influences, and strategic priorities. This study explores the role of business naming as an integral component of entrepreneurial strategy, drawing on Michael Porter's generic strategies framework to analyze how naming choices align with efforts to achieve competitive advantage. By examining a sample of small businesses in South Africa, the research highlights how descriptive, familial, religious, and arbitrary naming conventions intersect with strategic orientations such as cost leadership, differentiation, and focus strategies. Through this lens, the study offers insight into how small enterprises leverage naming as both a symbolic and functional aspect of business development.

2. Literature Review

Business naming is an important aspect of entrepreneurial strategy that significantly influences brand identity, customer perception, and competitive positioning. Existing literature shows several dimensions through which business names impact small enterprises, particularly in emerging markets.

Firstly, the influence of business names on customer behavior and brand loyalty has been well documented. Studies suggest that names which clearly communicate product offerings or reflect strategic intent can enhance customer recognition and foster long-term loyalty (Kohli & LaBahn, 1997; Hanks et al., 2006). The strategic alignment of a business name with organizational goals is especially vital for small businesses seeking differentiation (Porter, 1980).

Cultural and linguistic diversity also plays a pivotal role in naming practices. In multicultural environments, such as South Africa, names that resonate with local language and cultural identity can strengthen consumer connections and competitive advantage (Madhavan & Grover, 1998). However, the complex interplay between

cultural relevance and global market appeal remains underexplored in small business contexts.

The rise of digital marketing has added a new layer to the strategic value of business names. Online visibility and ease of searchability can influence naming decisions, making digital presence a key factor in branding effectiveness (Kaplan & Haenlein, 2010). Despite this, research on how small businesses integrate naming strategies with digital platforms is limited.

Longitudinal studies show that the coherence between business names and entrepreneurial strategies can positively affect growth and sustainability (Baum & Locke, 2004). However, there is a scarcity of research tracking the long-term impact of naming decisions in emerging economies.

Industry-specific variations in naming strategies have been observed, with sectors like education and retail exhibiting distinct patterns influenced by customer expectations and market dynamics (Glynn & Abzug, 2002). Yet, comparative analyses across industries remain scarce.

Psychological and emotional factors also influence naming choices. Entrepreneurs often embed personal values, legacies, and emotional attachments in business names, linking identity with strategy (Zhao & Seibert, 2006). Understanding these motivations is critical for a holistic view of naming as a strategic tool.

Lastly, the effectiveness of naming strategies can depend on market conditions. Competitive environments may favor distinctive and bold names, while cooperative markets might emphasize trust and shared values (Porter, 1980). This contextual dependency highlights the need for further empirical research.

Overall, while the literature acknowledges the importance of business names in entrepreneurial strategy, several gaps remain, particularly concerning emerging market dynamics, digital integration, and long-term impacts on small business success.

3. Research Methodology

This study employed a qualitative research approach situated within the interpretivist paradigm, which emphasises understanding social phenomena through the subjective experiences of participants (Guba & Lincoln, 2005). The interpretivist stance enabled the researcher to engage deeply with participants' meanings and contexts, viewing reality as socially constructed and context-dependent.

A qualitative case study design was adopted to allow for an in-depth, context-rich exploration of naming practices and entrepreneurial strategies among small businesses in Gauteng, South Africa (Yin, 2016; Crowe et al., 2011). The cases were

purposefully selected to ensure variation across different naming types and business strategies.

Data was collected through semi-structured interviews and non-participant observations, allowing participants to articulate their experiences and motivations openly. The interviews enabled the researcher to probe deeper into the nuances of naming decisions and strategic orientations, while observations provided contextual insight into the businesses' operations.

Data were analysed thematically using Atlas.ti software, guided by a theoretical framework developed through a comprehensive literature review. This facilitated the identification of patterns and relationships between naming typologies and entrepreneurial strategies.

Ethical considerations were strictly adhered to, including informed consent, confidentiality, and voluntary participation. The study also ensured credibility and trustworthiness through triangulation of data sources and iterative member checking.

3.1. Population and Sampling

The study employed purposeful sampling to select 20 small businesses across the educational, professional services, and hospitality sectors within Gauteng Province, South Africa. This approach aligns with the recommendation by Wong and Merrilees (2005) that qualitative research should prioritise sample diversity to enhance the richness of data. Participants included individuals directly involved in strategic decision-making—specifically, business owners, managers, and marketing practitioners.

Eligibility was restricted to small businesses as defined by the Small Enterprise Act (2019:2)—those employing fewer than 50 staff members and operating within the stipulated turnover threshold. The final sample size of 20 participants falls within the acceptable range for qualitative case study research, as supported by Eisenhardt (1989) and Perry (1998), who argue for sample sizes of between 4 and 15 cases to allow for meaningful pattern recognition and theoretical insight.

Data collection continued until theoretical saturation was reached—that is, when additional interviews no longer yielded new insights (Eisenhardt, 1989; Malhotra & Birks, 2007). Participants were selected based on their relevance to the research topic, ensuring that those with the most informative perspectives were included (McMillan & Schumacher, 2006).

In-depth, semi-structured interviews were conducted and recorded, focusing on participants' experiences and perceptions related to business naming practices. These interviews were later transcribed for analysis.

4. Results and Discussions

4.1. Observed Naming Patterns Among Small Businesses

The study identified four dominant naming patterns among South African small businesses: descriptive names, founder or family-based names, religiously inspired names, and arbitrary names.

- **Descriptive Names**

Half of the participants (10 out of 20) adopted descriptive names. These were primarily motivated by two factors: alignment with core offerings and articulation of business vision.

Product and Service Alignment:

Cases 10 and 17 selected names that directly convey the nature of their services, aiming to ensure immediate consumer recognition (e.g., Respondent 10: Quotation 13).

Objective Alignment:

Cases 1, 2, 3, 13, 15, 18, 19, and 20 chose names reflecting their business mission or long-term aspirations. Some names referenced admired public figures or broader social commitments, such as addressing educational inequality (e.g., Respondent 15: Quotation 3; Respondent 2: Quotation 19).

- **Founder and Family Names**

Seven businesses used names derived from founders or family members, driven by two key motivations:

Legacy and Ownership:

Cases 4, 8, 11, and 12 used names that honored founders or spouses, symbolizing joint ownership and leadership (e.g., Respondent 4: Quotations 1 & 4).

Emotional Attachment:

Cases 7, 9, and 14 reflected personal connections, often inspired by family members or meaningful nicknames (e.g., Respondent 7: Quotation 14).

- **Religious Names**

Religion played a central role in some naming decisions, particularly among Christian entrepreneurs.

Spiritual Identity:

Case 5 used a name expressing Christian faith and personal values (Respondent 5: Quotation 1).

Ethical Association:

Case 6 noted that religious names often signal trust and ethical behavior, influencing customer perceptions positively (Respondent 6: Quotation 1). This supports Hanks et al. (2006), who view names as markers of cultural identity.

- **Arbitrary Names**

Only one case (Case 16) involved an arbitrary naming process, where the business name was chosen through a random online search with no symbolic significance. This aligns with Mills' (1882) perspective that names can function as mere identifiers without deeper meaning.

4.2. Strategic Significance of Business Naming in Relation to Porter's Generic Strategies

This section explores the relationship between the naming practices of small businesses and the strategic approaches they adopt, drawing on Michael Porter's (1980) generic strategies framework. The study reveals that business names often reflect underlying strategic intentions, serving not only as identifiers but also as tools to communicate competitive positioning. Whether aligned with cost leadership, differentiation, or niche market focus, these naming choices offer insights into how small enterprises structure their operations to achieve a competitive edge in dynamic markets.

Descriptive Names and Cost Leadership / Differentiation

The findings showed that businesses that adopted **descriptive names**—which align with their products, services, or business objectives—frequently implemented **cost leadership** or **broad differentiation** strategies. For instance:

- **Cases 1, 2, and 10**, which used descriptive names, aligned with **cost leadership** by offering easily recognizable and purpose-driven services at lower prices, aided by low overheads and affordable suppliers.

- Other descriptive-name users such as **Cases 3, 13, 15, and 20** pursued **broad differentiation**, using their names to communicate unique service features or aspirational goals, which helped attract a wider customer base while justifying premium pricing.

Founder's Names and Focused Differentiation

- Enterprises named after **founders or family members** (e.g., Cases 4, 7, 8, 11, 12, and 14) tended to adopt **focused differentiation** strategies. These names reflect personal identity and emotional ties, reinforcing trust and loyalty in small, niche markets. For example:

• **Case 4's** personalised approach to credit-based sales for teachers aligns with a trust-based, niche-focused strategy that matches the personal legacy signalled by the name.

Religion-Based Names and Differentiation / Focused Differentiation

Businesses using **religion-based names**—such as **Cases 5 and 6**—connected their naming to values of trust, ethics, and spirituality. This was consistent with:

• **Case 5's focused cost leadership** strategy, targeting price-sensitive students while maintaining a moral brand image.

• **Case 6** uses a religion-based name to signal ethical values, supporting a **focused differentiation strategy**. This name builds trust and sets the business apart by appealing to customers seeking integrity and moral standards in a niche market.

Arbitrary Names and Differentiation

• Businesses that chose **arbitrary names** for distinctiveness (e.g., **Case 16**) employed **broad differentiation** strategies. The use of a unique, Google-sourced name helped signal innovation and creativity—key features in their strategy to stand out and enhance the customer experience through service excellence and technology integration.

5.Areas For Further Research

Despite existing insights, several areas warrant further investigation to deepen understanding of the strategic role of business naming in small enterprises. Future studies should examine sector-specific naming patterns to identify how different industries tailor naming strategies according to unique market demands and customer expectations. Understanding these sectoral differences can help refine targeted entrepreneurial support and branding practices.

6. Conclusion

Overall, business names among South African small enterprises are not randomly chosen but often reflect deeper strategic intent. Whether signaling affordability, personal legacy, ethical values, or uniqueness, the chosen names align with and support the firms' positioning strategies—be it cost leadership, differentiation, or focus—demonstrating the interconnectedness between branding and competitive strategy.

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