

German Brand and Company Names and Their Way through Economic Crises

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Abstract

Financial and economic developments throughout the world have had a major impact on the German economy. German products and their manufacturers achieved a high reputation for their quality and reliability which was reflected in their names. The symbolic construct they represented contained a lot of information and expectations about the product, the service and the company itself. The complex meaning of such names and the sum of all the valuable qualities they included made their products a target – a symbol – to achieve. Quite a number of names thus became generic terms or at least manifested in our minds as representatives of realia. Some companies survived because of their strong name and returned to the market, while others were not able to take advantage of their name. Quite a number of brands still exist but the product or company relation has changed considerably.

1. Acces to the topic and its aim

An article in the German weekly newspaper “Die Zeit” inspired me to write about this topic. The author Harald Martenstein titled his column “...and another one has gone...” (“Die Zeit” – 30th April 2009). At the beginning the journalist conceals the names of the companies and brands behind their initial letter. Martenstein writes about **K** and his love for its shape, a company which was much too expensive to keep and silently passed away. **M** is the next. He played with it as a child but got bored by it later; **M** is also about to go under. Then there is **J**, although **Martenstein** is not much bothered by **J**'s decline, and finally **Sch**, which provided warmth on cold winter days but is now facing enormous problems as well.

In the end he solves his riddle; **K** stands for **Karmann**, **M** for **Märklin**, **J** for **Junghans** and **Sch** for **Schiesser**, some company and brand names which are well-known in Germany.

After reading the article, I thought the author was right. We live with brand names from the cradle to the grave and never give a thought to the possibility that something might vanish that has been around for such a long time. This took me to my point of departure.

The target of my paper will be the development of German company and brand names under the influence of the economic crisis in Europe and on a global scale. I shall elaborate on the history and tradition of established companies whose names had an excellent reputation both at home and abroad. I have chosen company and brand names from the textile, porcelain, electronics, motor vehicle, clock, toy and sweets industries. A few examples of department stores and the financial market services are also added.

First, I am going to present the material by giving a detailed account of the company name and the company itself. After this the onomastic aspects are discussed. Finally, conclusions will be drawn and the results will be summed up.

2. Some examples of companies affected by economic developments

2.1. Textile industry

Let me start with the textile industry, which has almost disappeared from the German economic landscape. Former textile centres such as Bavaria and Saxony are nowadays almost empty places.

The first name I would like to mention is **Schiesser**. This company produces textiles, especially underwear and sportswear. It was founded in 1875 in Radolfzell, Baden-Württemberg, by the Swiss entrepreneur Jacques **Schiesser** who as founder, owner and manager of the **Schiesser** company gave his family name to the enterprise.

In its early years, **Schiesser** produced knitwear. The small company expanded rapidly, and by 1900 some 600 people were working in its factory. Due to a shortage of qualified labour, foreign workers were employed, most of them coming from Italy. **Schiesser** received numerous awards for its products, including a *Grand Prix* at the World Exhibition in Paris in 1901. **Schiesser** exported its products as far afield as Japan and Indonesia. At the beginning of the 1930s it suffered a first crisis and only became profitable again after the War.

Another period of ups and downs in the 1980s and 1990s led to the closure of a number of production centres and more than a thousand people lost their jobs. The company is smaller now and has thus been able to return to profitable business.

2.2. Porcelain industry

A change to a more practical lifestyle led to a decline in the once so flourishing and exporting German porcelain industry. Well-known brands such as Hutschenreuther, Seltmann, Rosenthal, Meißen, as well as smaller ones, e.g. Lichte and Weimar, were exposed to the same problems. The brand name Rosenthal, however, is an exception in various ways.

Rosenthal – porcelain

Philip Rosenthal founded a workshop for porcelain painting in 1879, and moved to Selb in Bavaria to industrialize the process. He formed other companies before finally establishing **Philip Rosenthal & Co. AG** in 1897. Rosenthal acquired a number of other companies, and in 1939 its name was changed to Philip Rosenthal Porzellan AG. This name was changed again in 1965 to Rosenthal Glas & Porzellan AG. Four years later, its name was shortened to **Rosenthal AG**.

Philip Rosenthal Jr., who started to work at his father's company in 1950, was not only known for being creative but also as a very socially oriented entrepreneur. He was the first business owner to let his employees have a share in the company's profits. But due to social changes and a decline in sales he was not able to cope with the losses on his own. Since 2009 the company has been a part of the Italian enterprise **Sambonet Paderno**, now trading under the name Rosenthal GmbH.

2.3. Electronic industry

Another sector that has witnessed radical changes is the electronics industry. As a consequence of both technical and global development, some brands were merged with others or ceased to exist. The most outstanding name in this industry was **Dual** record players

In 1906 the Steidinger brothers, Christian and Josef, founded a “Factory for precision mechanics” at St. Georgen in the Black Forest. Later on in the 1920s, a spring-wound motor for their record players was developed. As it actually had two motors, one electric and the other spring loaded, it was called **DUAL**. In this case, the company’s name does not refer to the owner but to a revolutionary working principle which became indicative of the whole company. The brand name is now in the hands of the DGC GmbH, and record players are still produced under it.

2.4. Car industry

Let me now turn to a sector whose profound changes we may observe every day, namely the car industry. As an example I would like to mention:

Karmann – cars

The business was founded at Osnabrück, Lower Saxony, in 1901 by Wilhelm **Karmann** as **Wilhelm Karmann GmbH**. His speciality was car bodies and coaches. Soon the company began to build bodies for such well-known firms as Adler, DKW, Opel and Minerva. In the 1920s **Karmann** changed from wooden bodies to semi-steel bodies. **Karmann** started the production of cabriolets. After the war, **Karmann** met a new challenge by cooperating with Volkswagen and together they built the big series of cabriolets nicknamed the *Beetle*. But in 2005, the company, having 1,255 people in its employ, went bankrupt. Volkswagen bought the manufacturer and intends to restart production in 2011.

2.5. Clock industry

It was in the Black Forest region that the German clock industry was born.

Junghans – watches

The company was founded in 1861 at Schramberg in the Black Forest by **Erhard Junghans** and his brother-in-law **Jakob Zeller-Tobler**. At first, they produced only parts of clocks but in 1866 they put their own clock on the market under the brand name of *Junghans*. Only 34 years later, 3,000 employees made Junghans the world’s biggest clock manufacturer. In the 1950s the Diehl Group took over Junghans AG but kept its production of clocks and watches separate from that of its defence engineering technology. In 2008 **Junghans Uhren GmbH** became insolvent but it was possible to sell it. It has since returned to the market under the new name of Uhrenfabrik **Junghans GmbH & Co. KG** and there is Junghans Microtec GmbH which operates in the defence engineering sector.

2.6. Toy industry

There were some famous companies in the toy industry that are also situated in Baden-Württemberg.

Märklin – toys

Theodor Friedrich Wilhelm **Märklin** commenced his business in 1859 by producing dollhouse kitchens. His wife became the first female commercial traveller in Southern Germany and Switzerland. She continued her husband’s work after his death in 1866, until her sons were ready to take over in 1888 with the company name changed to **Gebrüder Märklin & Cie GmbH**. They continued to expand their range of products and in 1891 they presented their first model railway at the Leipzig Trade Fair. This laid the foundations for their success in this field. Although they kept developing new toy train rail gauges and

integrated new suppliers, in 2009, the year of its 150th anniversary, the families running the company were not able to prevent its insolvency. Its factories at Göppingen and Nuremberg were closed down but a new one has recently been opened at Győr in Hungary. The brand name still exists but the family of the founder no longer has a share in the company.

2.7. *Sweets industry*

Another sector with a long tradition underwent profound changes over the years. I am talking about the sweets industry. The foundation of some of the companies dates back well into the 19th century, and their history is also a part of the history of divided Germany.

Most – chocolate

It was founded in 1859 in Halle an der Saale by Bernhard **Most**. He began by selling ginger bread, and by 1923 he had established a network of 150 shops throughout Germany. The destruction wrought by the War and expropriation in East Germany left only one shop at Göttingen, which was the basis for a restart. At the company's centenary in 1959, Most was no longer a manufacturer of chocolate but only a sweets seller with 50 shops spread all over Western Germany. At present this network of shops is being replaced by integrating supply into retailers' shops.

Mauxion – chocolate

As early as 1855 a small shop for finest confectionery was opened by André **Mauxion**, a French confectioner who had relocated to Berlin. His business grew well, and in 1872 his sons started their own chocolate production at Saalfeld in Thuringia. By the 1920s, **Mauxion** was a world brand. The two World Wars badly damaged the company and after being dispossessed in 1948, the owners went to West Germany and restarted the business. In 1958 the company was sold to Ludwig-Schokolade GmbH, although some of its products are still being manufactured. In the Eastern part of the country a new brand name was created; **Rotstern**.

Speaking about German brands, we should also keep in mind that due to the division of the country, there were old brands which had existed before 1945 and new brands created after 1945, especially in East Germany. Some of them are still in existence, or have resurfaced after a period of neglect, e.g. **Kathi, Rotkäppchen, ORWO, EG-GÜ, Minol, Narva, and Rotstern**.

2.8. *Financial sector*

In 2007 the world financial crisis reached its peak and construction and real estate companies, insurance carriers and banks failed. One of the latter ones was the well-established bank **Sal. Oppenheim**. It is now a 100 per cent subsidiary of Deutsche Bank.

Sal. Oppenheim jr. & Cie. KGaA was a private bank with an excellent reputation. At the age of 17 in 1789, Salomon Oppenheim founded a bureau de change at Bonn, and a decade later he moved to Cologne, the financial centre of Germany at that time. A long successful history in private banking began, making the Oppenheim family into an immensely economically and politically powerful one. This came to an end, not only as a consequence of the financial crisis but also due to the highly speculative behaviour of some of its managers and because it gave loans to people and companies who could not repay them.

2.9. Department stores

Karstadt – department stores

Rudolph Karstadt founded his first shop at Wismar on the Baltic Sea coast in 1851. Within the next 50 years, a network of 24 shops sprang up in Northern Germany – the second shop opened at Lübeck and counted among its customers the writers Thomas and Heinrich Mann. By introducing fixed prices Rudolph Karstadt managed to keep his number of customers at roughly the same level. He even succeeded in extending his business to East Prussia (now Russia) and other regions.

He survived the crisis of the 1920s virtually unharmed and withdrew from the company in 1932. After World War II, the enterprise experienced a major setback as all its stores in the Eastern regions of Germany were lost. Nevertheless, the business did well in the 1950s and even flourished in the 1960s and 1970s. In 1977 it took over **Neckermann AG**, and thus became Germany's biggest commercial enterprise.

In 1999 **Karstadt** merged with **Quelle** to become **KarstadtQuelle**. However, mismanagement and economic crisis led to its insolvency. Even a new name, *Arcandor* (a name that covers all the branches included in the enterprise), could not prevent its failure. In 2010 Karstadt – now on its own again – was bought by the investor Berggruen, but is not saved yet. According to “ZDF-heute” (September 2011) the enterprise's business is going well again.

3. Conclusions

The names and brands discussed above represent only a small fraction of the companies which had to fight for their survival. In some cases this led to a hostile takeover by other companies and the loss of their brands. In other cases the company went bankrupt. Every branch of industry is affected.

I decided to give a small picture of each company to show the relations between the name and the brand. Changes in names are mentioned as well. Another aspect is the connotations of brand names past and present.

The reasons for their decline vary. Most of the companies have a very long history during which they have gone through difficulties and problems. They were able to adapt to new economic situations and showed flexibility in their range of products. One great **advantage was the company name and the brand name**. Its basis was the name of the founder – his family name or an outstanding technical development, e.g. **Dual**. The company received the founder's/owner's name which was then included in and used for marketing strategies.

From the onomastic point of view the family name formed the core of the whole construct. Relations with the product were built up and in the end resulted in the brand name and thus obtained a new status. It is still part of the vocabulary as a family name and it became a legal term as a company and brand name, and all the connotations added thus form the periphery of the name.

As part of the language (and with respect to linguistics) the name by its referential function identifies and individualizes and this is transferred to the product and brand name. Although there are contradictory concepts of brand names as a language object (cf. Schippan, Gläser), a

brand name is a name. The name is part of the lexicon of the language/onomasticon of the language and as a legal term it reflects legal standards of naming and is then a subject of law. As a consequence of this, the brand name needs to be protected, e.g. as intellectual property.

Moreover, a brand name is also an economic term since a brand name gains monetary value as it persists over time and through its use as a marketing tool. It also reflects a close producer-product relationship. In this respect we should follow Christoph Platen who coined the term “economy” to cover all these aspects in one umbrella term.

What do we retain when uttering a brand name? There are not only facts but emotions as well – we remember how much we desired to have this object because we loved it so much, we were fond of it, and we are proud of possessing it and thus belonging to the group of its owners. The emotional aspect is not given much consideration but plays an important part in the value of the brand as well as in the way it is remembered. So this aspect should also be included in the peripheral structure of the name.

This leads to another aspect, the cultural essence of the brand name. From names like **Märklin**, **Karmann** and **Junghans**, it can easily be discerned that they are German. Products made in Germany which used to be associated with such attributes as high quality and efficiency at a good price. People were ready to pay the price because they knew it was worthwhile. Within this cultural context the name represented and represents not only the individual properties of the company’s owner but social values the whole country is based on.

4. Summary

In conclusion, I would like to summarize that most of these names are long-established names – either as a company or a brand or both. Most of the businesses were started at the beginning of the industrialization in Germany towards the end of the 19th century, some even earlier. So they have been in existence for more than 100 years.

The companies have experienced times of prosperity and turbulence. They changed their strategies, businesses, designs and technologies, which resulted in varying denotations and connotations of their names and brands. They represent characteristics, such as quality, stability, tradition and stamina, which are important for forming a brand and its value.

Furthermore, these characteristics are important economic factors as well. Often these economic factors counted and count when other entrepreneurs were and are prepared to buy or take over the companies to save the company or the brand or both, e.g. **Junghans**.

From the legal point of view these names still have to be protected, e.g. against product and brand pirates.

From a linguist’s point of view, it means that these names are still an essential part of the vocabulary, albeit with different connotations encompassing traditional social values as well as newly acquired ones.

And we never know when one of them will really cease to exist.

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