

Marketing strategies in family firms

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ABSTRACT

Branding and reputation plays an important role in determining firm behaviour and outcomes. These well-known marketing concepts have attracted attention of family firm scholars as well. However, despite the significant growth in family firm literature over the last two decades, the application of marketing theories and concepts in family firm context is limited. Thus, there is an urgent need for a better understanding of reputation, branding, communication, and marketing perspectives in family firms. The goal of this special issue is to enhance our understanding of marketing strategies in family firms. This special issue features 5 articles that represents the work of 12 scholars from five different countries.

Introduction

Family-owned firms are the most dominant form of business entities in market economies around the world (Poza & Dauguerty, 2013). For example, these firms represent 70% to 90% of all firms in Europe, 70% of all firms in the USA and Australia, and up to 98% of all firms, according to some estimates, in Latin America. In African and Middle Eastern countries, family firms play an equally important role (Basly, 2017; Llanos-Contreras & Jabri, 2019; Zellweger, 2017). Family firms are central for many countries not only from an economic perspective, but also in terms of their social role in regional development (Basco, 2015; Llanos-Contreras & Alonso-Dos-Santos, 2018).

Prevalent in family firm literature is the attribution of their uniqueness to family ownership and family influence. Family identity is a resource that influences consumer behavior and their response to communicational stimulus (Alonso Dos Santos et al., 2021; Sageder et al., 2015). Thus, the family identity of a firm is a source of differentiation that can be commercially exploited (Botero et al., 2019). While research based on socioemotional wealth acknowledges that these organizations are especially focused on protecting their reputation and family name

(Alonso-Dos-Santos & Llanos-Contreras, 2019; Berrone et al., 2010), articles utilizing the resource-based view suggest these organizations retain valuable idiosyncratic resources that impact the lives of their customers and stakeholders (Craig et al., 2008; Gallucci et al., 2015; Zellweger et al., 2010). Furthermore, empirical findings confirm the positive benefits of communicating the family control of the firm to firm stakeholders, such customers, employees, and the local community (Deephouse & Jaskiewicz, 2013).

The aforementioned economic and social importance of family firms, when combined with the significant communication and marketing potential of a firm being acknowledged as family owned, creates a rich area for scholarly exploration. Some progress achieved in the area more recently includes: (1) understanding the strategies employed by family firms to communicate their family component/identity through websites (Botero et al., 2013; Mice-lotta & Raynard, 2011), (2) identifying factors impacting firm image and types of strategic actions enhancing their family brand (Binz et al., 2013; Marques et al., 2014), and (3) assessing consumer response to firm communications emphasizing family nature, such as signals through a firm's product packaging (Alonso-Dos-Santos et al., 2019; Beck & Prügl, 2018; Lude & Prügl, 2018).

Family firms' branding and reputation has attracted family firm scholars' attention in recent years. However, the application of marketing theories to family firms has wit-

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nessed a slow progress in academic journals. There is an acute scholarly need for understanding the reputation management of family firms and how to make the most of it from a branding, communication, and marketing perspective. Accordingly, articles in this special issue have been selected because of their contribution in making progress on this theme.

This special issue is publishing five articles, which present the work from twelve scholars from five different countries and nine different universities. The articles address issues related to customer-family business relationships, perceptions of family businesses and customer behavior (purchase intention), risk aversion and marketing collaboration with other businesses, digital marketing strategies for family businesses and reputation and family identity. In terms of methods, most of them are based on quantitative data analysis with one using regression analysis and two others utilizing structural equation analysis. One article is based on a mixed research design and one is a systematic literature review.

Discussion and Contributions

The article by Cuevas-Lizama, Llanos-Contreras and Alonso-Dos Santos entitled, "Reputation and identity in family firms: Current state and gaps for future research" explores the strategic value of reputation and the transmission of a family firm's family identity. This research uses a systematic literature review approach, studying 56 articles indexed in the Web of Science database, to analyze the current state and evolution of the topic, the impact it has had in recent years, and to identify relevant research areas with their respective contributions and research gaps to guide future work. The analysis of this work reflected seven research topics related to reputation and family image, finding greater relevance in works that analyze the sources of advantages of the reputation of family businesses and how the priority to preserve it influences their strategic behaviors such as investments in R&D and their socially responsible activities. Other papers found in this article advance study themes that the transfer of family identity effects both in financial markets, where family firms seek to be transparent in order to take care of their image, and in the consumer market, where they have a better response compared to non-family firms. Finally, this work highlights opportunities for future research by considering other less studied areas that detail how family firms transmit family identity to internal groups, the diffusion strategies they have with external groups, and the effects of reputation on performance.

Botero and Litchfield-Moore make contributions by assessing the perception about family firms. Based on signaling theory and the theory of reasoned action, the authors predicted that the family identity would be a signal which determines consumers' perceptions, attitude, and intention to buy in relation to family firms. This research included four studies to respond to the question "What are the associations that customers have with products and services

from "family-owned businesses"? Study 1 was based on the analysis of qualitative data from a four-question survey to 87 students from introductory courses. Study 2 considers data collected from a 73 item survey which was responded to by 145 college students. Items in this survey allow the quantitative assessment of perceptions about family firms, attitude toward these organizations and intention to buy and work for these firms. Study 3 included additional responses from another 90 college students. Unlike Study 2, here questions on intention to buy and intention to work were asked to different groups to make the survey shorter and easier to answer. Finally, Study 4 was focussed on exploring the generalizability of their previous results and included 65 working professionals (in addition to 54 new students) in the sample. Results are in line with research suggesting that communicating the family identity of a firm would result in a positive response from consumers (Alonso Dos Santos et al., 2021). Botero and Litchfield-Moore confirm that "family-owned businesses" would have an advantage in using their identity as part of their communication and marketing strategies. Results suggest that consumers would have positive perceptions about organizational values and neutral perceptions about products and services offered by family firms. The authors concluded that "*As suggested by the Theory of Reasoned Action, these perceptions affected attitudes and intentions towards Family Owned Business.*"

The work from Gonzalez-Lopez, Buenadicha-Mateos, Barroso and Sanguino deals with the theme of digital marketing strategies in family firms. More specifically, the authors analyse the online presence and differences between Ibero-American and American family firms in the world. Based on information provided by the Family Business Global Index (FBGI), this article aimed to respond to the following two research questions: (1) Does the quality of a corporate website and the presence in social networks influence the family firm's turnover? and (2) Are there significant differences between Ibero-American and American family firms regarding online presence, in terms of quality of corporate websites and presence in social networks? The article analyses content, form, function and presence in social networks. This work is important because the profound influences of social networks and internet in communication and marketing strategies in all the different economic sectors around the world (Alonso Dos Santos, Calabuig Moreno, Crespo et al., 2016; Alonso Dos Santos, Calabuig Moreno, Rejón Guardia, et al., 2016). Internet is not only the one of main and more accessible communication channels for large and small businesses, but also it offers a wide range of options to develop flexible and focused marketing strategies. Among other findings, this article results show that there is a negative relationship between website quality and company turnover and a positive relationship between social networks and company turnover. This is important for family firms because it provides insight into the effectiveness of different communication channels and strategies they have access to. Also, the study did not find significant differences among the family firms of the two regions with

respect to online presence, which suggests similar availability of this resource in both regions. Thus, this work contributes to the specific topic of our special issue by making progress in the understanding of marketing strategies in family firms. The article also makes progress in family firm literature, by integrating concept and construct from the marketing research. From a managerial view point their findings are important as they shed light on the importance of enhancing family firms' online presence, and the power of building strong family firm brands based on this online presence.

The article entitled, "Personalized Service and Brand Equity in Family Business: A Dyadic Investigation of How Family Business Owners' Time Servicing Customers Impacts Work Overload: Spillover Effects in Delivering a Personalized Service and in Building Brand Equity" by Velasco, Lanchimba, Llanos-Contreras and Alonso-Dos Santos focused on the understanding of demand and resources on the firms' brand equity. More specifically, this research focused on answering the question of (1) how family business owners' time in serving customers, work overload, and Collaborative Organizational Citizenship Behaviours interact and influence the delivery of personalized services in Small and Medium size Family Enterprises, and, (2) how these relationships ultimately influence these firms' brand equity. In this way, the article made progress on the understanding of how family business owners' time in servicing customers triggered a chain of effects (positive and negative) which finally impacted on small and medium family enterprises' brand equity. The authors' study is highly important and relevant because brand equity is closely related to corporate reputation and accordingly, it would not only be a good way to assess reputation in family firms, but also to understand factors that enhance or harm it. This is particularly important in family firms as the firm reputation is closely tied to the family reputation and it is one of the most salient socioemotional wealth priorities (Deepphouse & Jaskiewicz, 2013; Llanos-Contreras & Alonso-Dos-Santos, 2018). The findings in this article are relevant and make an important contribution to theory and practice. From a theoretical viewpoint, the study sheds a light on the connection between brand equity and firm reputation. It is important as it suggested that brand equity would be a good proxy to assess reputation in family firms. Theoretical contributions are made also to marketing and reputation theory in family firms by integrating the analysis of resources and process to reputation theory. In this way this article goes beyond the analysis of the sole effect of communicating the family identity and integrates the study of the process which is central in the marketing strategy. From a practical viewpoint, family-business managers can learn by identifying strategic resources and processes that influence their firms' brand equity and ultimately the family and firm reputations. Controlling these resources and process would be central for managers in order to preserve their firm and family reputation.

Ibáñez's paper, "Inter-firm marketing collaboration

in family businesses: The role of risk aversion", explores how risk aversion in family firms influences their non-financial strategic decisions to collaborate in marketing. This research addresses two issues barely explored in the family firm literature: (1) the influence of risk aversion on the decision to collaborate to develop marketing capabilities and (2) the choice of a partner known or unrelated to the family firm for this cooperation. The author proposes that both decisions are made simultaneously. She uses a bivariate probit method to evaluate the decision to enter into a collaborative relationship and the choice of a partner in a single econometric model. Results suggest that family firms that are more conservative in terms of risk-taking are less willing to engage in collaborative relationships for marketing activities. However, these firms are willing to take a risk by collaborating with a partner they do not know (rather than a known partner). This apparent dichotomy is consistent with previous research showing that family firms are both risk-taking and risk-averse in order to preserve socioemotional wealth (Gómez-Mejía et al., 2007). In this case, socioemotional preservation would not only be related to risk-taking decisions, but also to their priority of preserving good standing with people they have close relationships with by avoiding engaging in partnership with them. This article contributes to family business research by extending the study of risk aversion beyond the financial and economic decisions of family firms.

Concluding Thoughts

In summary, this issue of *Journal of Small Business Strategy* is a special issue on "Marketing strategies in family firms". The five works in this special issue significantly enhance our understanding of family firm reputation from a strategic marketing viewpoint. The studies in the special issue contribute to reputation theory in family firms, as well as to knowledge in marketing and communicational strategies for these specific types of organizations. The articles in this issue allow the readers to know the state of the art from a theoretical viewpoint, but also to analyse empirical findings in relation to the effect of communicating the family firm identity, the influence of family identity in the world wide web, the importance of small and medium family firms' resources and demand in building brand equity, and the importance of risk-taking aversion toward collaboration on developing marketing capabilities. From a managerial perspective, this special issue provides important insight for family firm owners and managers in relation to the impact of leveraging their family identity in their marketing strategies. Also, practitioners can learn about mechanisms, processes and resources which would drive the successful implementation of such strategies in these firms.

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