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Lucija Mihotic
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Brand management in family firms

Abstract
What do IKEA, Dr. August Oetker, Ford Motor Company and Wal-Mart have in common? Obviously, they are huge worldwide brands, but less obviously they are all successful family-owned businesses. While many of the truly successful family-owned businesses consider family branding extremely important, not all of them are using this potent marketing tool. Studies have showed that actively promoting a multi-generational story grounds the brand in the public mind in a positive way, what is especially important for an Austrian market, where are more than 70% family owned companies.

Theoretical background
The main aim of this research is to link two research fields: brand management and family business and to highlight the importance of doing brand management in a family firm context. The effects of being a family firm on four main branding constructs (organizational identity, intended brand image, construed brand image, reputation) have already been researched and this research will also highlight their importance and identify future research directions.

Family business is a business governed and/or managed with the intention to shape and pursue the vision of the business held by a dominant coalition controlled by members of the same family or a small number of family in a manner that is potentially sustainable across generations of the family of families. (Chua, Chrisman and Sharma 1999, p.25)

Organizational identity theory

The organizational identity refers to the collective associations organizational members have in mind when thinking about the company. (Brown et al., 2006; Hatch and Schultz, 1997) Organizational identity theory is concerned with explaining ‘‘what we do as an organization’’ as well as ‘‘who we are as an organization’’ (Nag, Corley, & Gioia, 2007). An essential definition of an organizational identity is the one defined by Albert and Whetten (1985), which views an organizational identity as that which is central, enduring, and distinctive about an organization's character and an organization's members' collective understanding of the features presumed to be central and relatively permanent, and that distinguish the organization from other organizations (Whetten, D., & Mackey, A., 2002). For family firms, organizational identity is unique in that the family is a distinct, central, and enduring component of the firm. (Eddleston, K.A., Kellermanns, F.W., Zellweger, T.M., Bernett, T., 2010) Organizational identity theory suggests that firms work to project their organizational image and build a positive reputation among stakeholders by promoting attractive branding (Einwiller & Will, 2002).

Branding constructs:

1) <u>Organizational identity</u>

"Who are we as an organization?"
The organizational identity refers to the collective associations organizational members have in mind when thinking about the company. (Brown et al., 2006; Hatch and Schultz, 1997)

1) Intended brand image

"What does the organization want others to think about the company?"

The intended image is the sum of all informational cues selected to be communicated toward the relevant target groups. The decisions about which attributes to include and exclude are the central tasks of brand managers. (Brown et al., 2006)

3) Construed brand image

"What does the organization believe others think of the organization?"

The construed image consists of the associations organization members believe are assigned to the company by external stakeholders. The viewpoint has a strong influence on how organizational members see themselves as an organization: the organizational identity (Brown et al., 2006; Dutton et al.1994) and organizational members´ decision making about what to communicate and the intended brand image.

4) Reputation

"What do stakeholders actually think of the organization?

Reputation refers to the individual attributes ascribed to a corresponding company from a particular stakeholder group (e.g. customers, potential employees, financiers)(Brown et al., 2006) and thus describes the "real picture" of a company within the market. It is the result of all information an individual receives about the organization (e.g. from other stakeholders, external sources such as TV reports) and thus does not uniquely evolve from the company´s communication activities or behavoirs (Keller, 2003).

Contribution/ Importance of this research:

Being a family firm influences strategic brand management decisions and brand management is an important driver for a long-term company´s success. This is the reson why family firms should be aware of importance of their branding strategy and should invest more time and energy into building one. Branding a family fim is a competitive advantage/ability (it is hard to imitate, rare and relevant source) to differentiate in a competitive market, positively affect consumer purchasing behavior.

Literature:

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