

# Branding a Family Business

University of Jyväskylä

Master's Degree Programme in Entrepreneurship  
in Family Business

Matti Pohjola

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**ABSTRACT**

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| Author<br>Matti Pohjola   |                         |
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| <p>Abstract</p> <p>This master's thesis main object was to understand better the very little researched topic: branding a family business. The main aim was to seek the values used behind family business that are the family values used in the brand and how the branding has been implemented in a family company.</p> <p>A qualitative method was chosen for this research for an interpretative analysis of the subject. Five family companies were chosen for the interviews. All these family companies are known Finnish companies which have a great brand and can be defined as true family businesses from their ownership and governance. Before the interview, all interviewees were given a questionnaire which was formulated based on the theory part of the thesis.</p> <p>The results from the research give us interesting points from the family business branding, family values and the branding strategy. There are also guidelines and advice given from the interpretation of the results. The results also give a good base for the future research in this pioneering work of branding a family business.</p> |                         |
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## FOREWORD AND ACKNOWLEDGEMENTS

I want to dedicate this paper to my beloved grandmother Kaija Lähteinen. I had a great privilege to know her for a long time. She was a great supporter towards my studies and was so proud of it. She lived through two wars and survived them. We could talk for hours about life and war times. The greatest lessons that I learned from her was to treat everybody equally, we are all equal, and no matter who you are we have always room left, because we are all a big family. Family was everything for her and family did not end to the blood relatives in her case, everyone was welcome to her home and heart.

I executed my studies under the average time and got the idea for this research under no pressure, from pure fascination towards it, from previous studies and tasks. But time exceeded in this final project, sometimes life happens and in this case it did. Fortunately I got the passion and strength back, but I would have never survived without support.

I want to thank my close ones for supporting and being patient with me, especially my parents, Markku and Taru, in this project and journey of life.

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Author: Matti Pohjola  
Supervisor: Juha Kansikas

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# 1 INTRODUCTION

## 1.1 Background for this research

Branding has evolved more and more to an important area of a successful business regardless what the area of business is. It has been part of marketing, but nowadays it has diverged to its own branch of science. The relationship between marketing and branding is like the relationship between mathematics and physics - without understanding mathematics you can't understand physics. Via branding, one can communicate specific features or messages to consumers from a company. With branding one can plead to different type of attributes in consumers. They can plead to rationality, emotions, practicality, dignity; the list goes on and on. So, it is crucial to find the strongest features and niche gaps from the company and scoop them into branding.

As we know, family businesses are significant resource and back bone of our economy. Family businesses produce around 40-50 % of our gross domestic product and form over 80 % all of businesses in Finland. It is obvious that a positive development in family business sector has crucial consequence for the success in the whole economy. Especially, because Finnish family businesses form that particular part of the business which does not easily go over Finnish borders.

As the competition tightens all the time and the economy has been crawling, and as we have never seen Euro-zone under such economical pressure and the Finnish economy is under big abatis, it is time to sharpen our company brands and get the most out of them.

## 1.2 Motivation and purpose for this research

Former studies have indicated that building a brand is crucial factor in the process to become a successful business. Family businesses or starting entrepreneurs can have good business ideas or they might have already been in the market and have good profits. However, these days it simply is not enough, because of the consumers' increasing product or brand awareness. One has to immediately begin to think of the other value of a purchased product or service. One cannot deliver anymore just a good product or service, because there will be dozen others delivering the same product, so the brand has to be differentiated. The brand has to create strong images in the consumers' minds so that they will choose the same brand over and over. This differentiation is made above all by branding. In Finland, we have many significant international family businesses, which have remarkable brand status, e.g. Fazer, Paulig, Aarikka, Onvest. The values of a family business can be reflected in the brand with a positive influence. These values may include among others: local responsibility, the Finnish blue/white colors, ethicalness, company history, warm human values and of course the family communality.

As a company cannot anymore succeed without branding, so I think that there is a great need of understanding the family business branding. As previous studies have proven that family business is different than large corporate companies, they have also different values and mission. Family business governance is different with family assemblies behind them and of course the ownership differs. With these differences a family business can have deeper and prominent values to the customers which can give competitive or absolute advantage to the company. Also, the crucial fact to be filled is that there is almost no theory about branding a family business, so there is a gap for pioneer work. Finally, the ultimate reason for this research is to understand the key areas of how family business branding differentiates from corporate branding and give some guidelines to family business branding.

## 1.3 Structure of this research

The structure of this research follows a traditional form, which starts with theoretical frame work, continues with empirical research which gives some fundamental results. The results are combined in the end of the research with conclusion and summary.

In the first chapter, the reader is lead to the research problem with the background description of the study towards the research. The purpose of this chapter is to give background to this research.

The theoretical part is introduced in the second, third and fourth chapter, which starts with theories from branding, followed by defining a family



business and followed in the end by theories of branding a family business. The theory of this research is combined from the last three.

The following, fifth chapter introduces us to the empirical part of the research where are defined the empirical research focus and the right research method followed by the researched companies to this study.

The sixth chapter tells us the research results from the empirical part of this study and they are decoded by the research questions which are gathered from the theory part.

In the final and seventh part of this research, discussion and conclusion are performed. Also the aspects for a future research have been conducted with the criticism of the research.

## 2 WHAT IS BRANDING?

In the 17th and 18th centuries, when the volume of manufacture of fine porcelain, furniture and tapestries began in France and Belgium, most of all because of the royal clientèle, factories started to use brands to indicate the quality and origin. (Clifton, 14, 2009) The American Marketing Association defines a brand as: name, term, sign, symbol, or design, or a combination of them, intended to identify the goods or services of seller and to differentiate them from other competitors. (Kotler, 418, 2003)

The visual distinctiveness of a brand can be a combination of any of the following: name, letters, numbers, a symbol, a signature, a shape, a slogan, a color, a particular typeface. But according to Clifton, 2009, the most important element is the name of the brand as its use in language provides a universal reference point. The name is the one element which should never be changed. All other elements can change over time, but the brand name should be as constant as northern star. (Clifton, 15, 2009)

A brand is really just a symbol, but a symbol with a huge potential. This sign or symbol can be expressed in many different ways. It can have many different value dimensions and it can be something that the business nurtures, builds, exploits and also neglects. A brand is a necessity for a business and a business will have a brand profile. Working actively with the brand will give the business, some distinctive advantages, rather than in the classical business sense leaving it to the customers to work out to think about the company. Brands do also in many times represent continuity which is important in the sense of keeping customer relations. Brands are often much older than the companies. (Nilson, 5-9, 1998)

To develop a great brand, it requires huge amount of long-term investment, especially in advertising, design, promotion and packaging. According to Randall a strong brand can present enormous power, but it is not immune or infinite from attack. The brand must be carefully built, and maintained with fierce commitment and adamant focus. (Randall, 2, 2008)

Aaker & McLoughlin demonstrates that the strategic value of building and maintaining brands and creating brand equity is valuable to the owners of a business. As one defines brand as a name, term, sign symbol or design, Aaker highlights that this and other definitions generally fail to capture the essence of what branding involves or achieves. Inevitably expressed in abstract and lifeless language they focus primarily on the ingredients of the brand and as such fail to capture the essence of branding. The development of a brand image includes the marketer in breathing life into a natural product, thus endowing it with a distinctive personality and human elements in the eyes of a consumer. Branding results in an invisible magnetic relationship between brand and consumer which must of essence involve the brand in the world of consumers. The concept of brands as social signals is now well approved with compatible between brand and consumer self-image regarded as a key motivational factor in consumer choice (Aaker & McLoughlin, 173, 2005)

## 2.1 Brand meaning

It is a brand meaning that reconciles between products and consumer motivation, thereby determining consumer behavior. A brand's meaning is defined by how the brand is perceived by the public at a conscious level and how the brand resonates with at a semi- or subconscious level. That can be seen in figure 1.

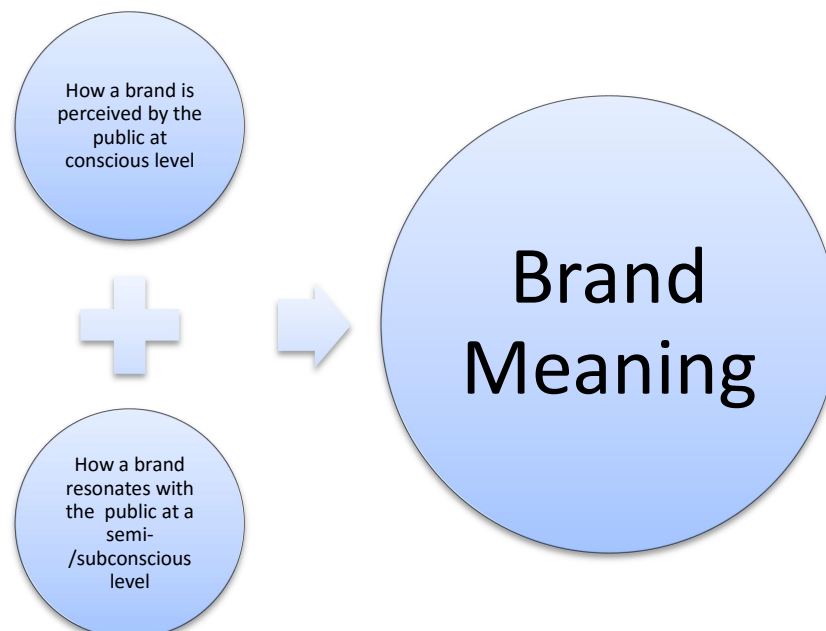


Figure 1 Brand meaning

The term refers to the semantic and symbolic features of a brand, the sum of the fundamental conscious and unconscious elements that compose the consumer's mental representation of the brand. Brand meaning both defines and is defined by the area where the meaning derived brand associations correspond with consumer needs and endeavors. It is where the concrete qualities of the product meet the abstract qualities of the brand. The overall meaning of a brand meaning structure is multidimensional. That is why it is important to decode these multilevel brand meanings to clarify the ways the brand hold relevance for and connects with consumer and how it could do so more potently. (Batey, 111-112, 2008)

The meanings that brands have for consumers should become the guiding lights for brand strategy development. A consumer's preference for a given brand, after all, always depends on what the brand means to the consumer. The way how consumers perceive and define a brand will correspond to the vision and intention of the marketer and will be reflected in brand strategy and communication. Any differences between the brand meaning in the consumer's eyes and the framework developed by the marketer need to be taken into account in deciding following brand strategy. (Batey, 111-112, 159, 2008)

## **2.2 Brand strategy**

Brand is property of an organization and an integral part of the organizations in the sense that impacts on and is impacted by the policies, activities, structures, culture, history and character of the organization. The organizational influences are both direct and indirect on the brand. Business strategy has a direct bearing on the brand, as the brand seeks to translate the objectives of the brand strategy into consumer experience. Other direct and indirect organizational influences on the brand are internal policies and the internal legacy of the brand. The internal policies consist of the organizational status quo, which is for example the expression "that is how we do things here". The brand's internal legacy is formed by the stories about the brand's inception and its historic role for the organization. (Van Geldeer, 15-16, 2003)

According to Van Geelder (2003) a brand is the translation of the business strategy into a consumer experience that brings about specific consumer behavior. A proper understanding of the business strategy is imperative to any brand development work. It does not necessarily mean that brand management must be involved in the formulation of business strategy, but it is still imperative that the business strategy and brand strategy are aligned in order to create value for the organization's stakeholders and the main target its customers.

To create brand strategy we need to first understand business strategy, it starts to examine its inspirational elements, consisting of the company vision, mission and ambition that underpin the long-term view of the business. The board of management of an organization generally formulates these

inspirational elements. The inspirational elements are important as they provide the perspective on the future of the organization from those who are ultimately responsible for the brand. The inspirational elements provide guidance to the business strategy, and consequently the entire strategic planning cycle. There are three key inspirational elements which can be seen in table 1.

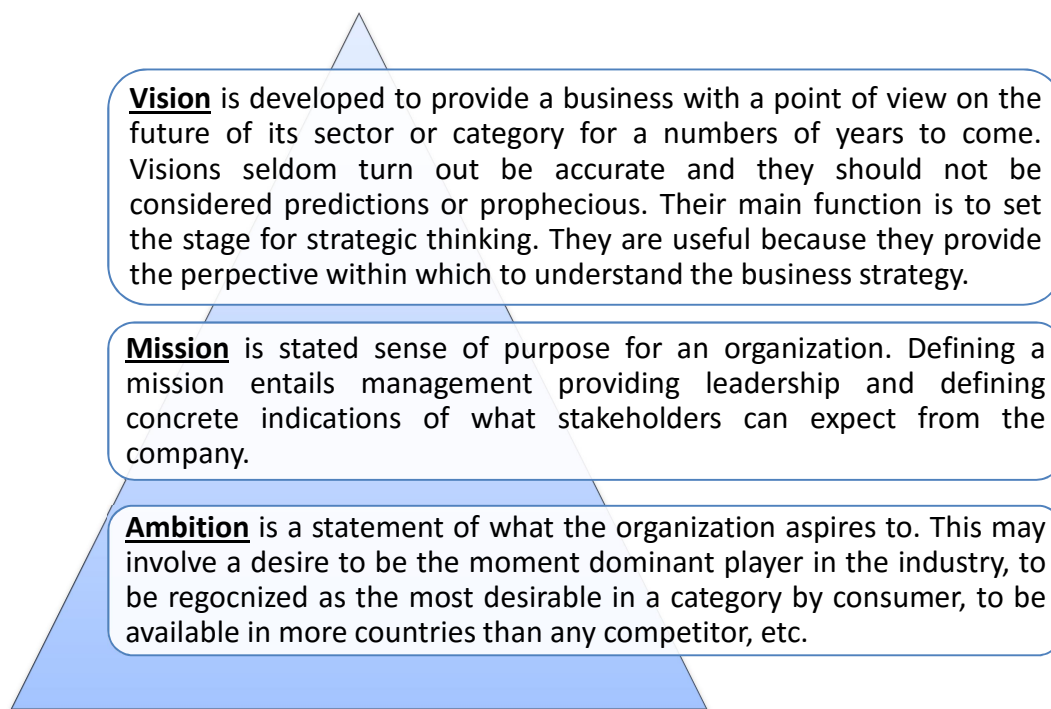


Table 1 Three inspirational elements

## 2.3 Elements of Branding

The main idea for brand strategy is to know and define the elements of branding. There are a variety of brand elements which are crucial to include when an exquisite brand is wanted. The fundamental brand base elements are described in the following.

### 2.3.1 Brand Positioning

Brands need to planned, because they have long lives or they should have, and they should be treated as such, since strong brands are already central to the survival for many companies. According to Randall, 2008, the time scale is calculated for branding in years not months or rather years for the long-term development as well months for short-term action. Branding must be at the

center of the board's corporate strategy. The top management must agree with the following: (Randall, 132-133, 2008)

- the branding model they are using;
- the brand architecture for the company;
- the definition of brand essence for each brand.

Truly great brands own a humongous brand positioning that is consistently executed for their main public. Good brands have either a superior brand positioning with less than stellar execution or they have a good brand positioning with outstandingly executed. Great ones are not a compromise; they have the best brand positioning and the best execution in the market. (Clifton et al, 73-75, 2009)

According to Randall, 2008, positioning has been a crucial idea in branding from its starting time. Many companies use in their brand planning a positioning statement. The idea of brand positioning is that you position your brand in the mind of the consumer, relative to competitors and in a way that points up key differences. The advantage of thinking about the positioning reflects straight to the way consumers see the brand, and the placing of your brand in the consumers' mind space in relation to competitors. (Randall, 139, 2008)

The positioning process requires a mixture of analytical, creative and strategic skills. To establish a fact based foundation, analytical tools and techniques are required, to guide and underpin decisions about the overall thematic area for the positioning, but within that area there could be a number of potential positionings. Creative strategic thinking is needed to go beyond the facts to identify the optimal positioning and the cultivating of the positioning statement. Without both functions, the positioning will either plainly reflect the functional needs or be a random idea not based on the business or consumer preferences. The process illustrated in figure 2 verifies a strong positioning. (Clifton,75, 2009)

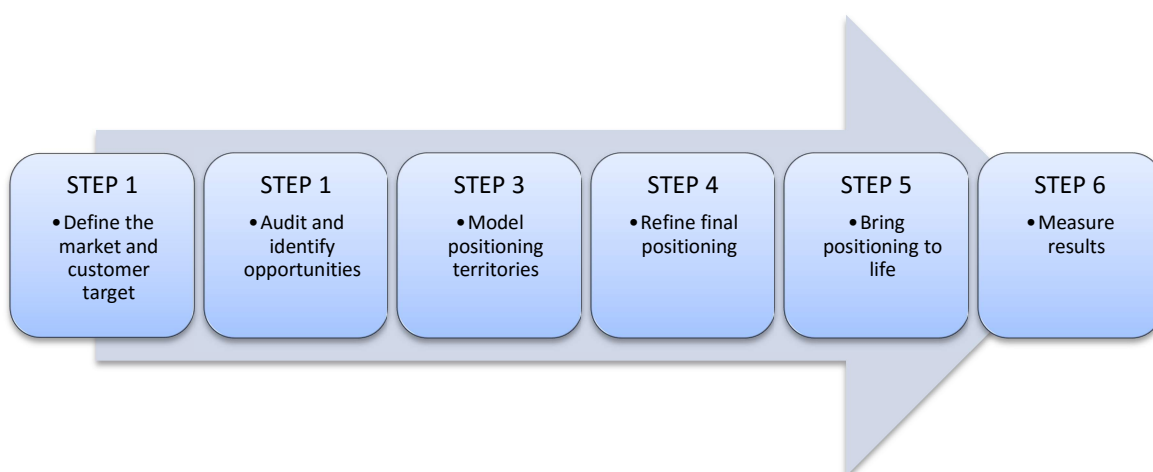


Figure 2 The brand positioning process

Reaching at the correct positioning takes time and creativity. The right positioning requires a total understanding of the brand, the company, the competition, the market, the customers, etc. While research can tell what is the current positioning, the positioning a brand is aspiring to is a management decision. Although, management cannot decide what the consumers will perceive, they can only prepare the ground on which the consumers will build a positioning in their minds. But the more distinct the company is in its execution, the more probable it is that the consumers will share the brand management positioning. (Nilson, 132-133, 1998)

### **2.3.2 Brand Image, Personality and Identity**

Randall highlights that brand image is a phrase is used rather loosely, especially by people outside marketing department. In fact the image of a brand is the one thing with existence in the minds of customers. It is the entire of all the information they have received about the brand by experiences. (Randall, 6, 2008)

Brand image is on the receiver's side. Image researches focuses on the way in which certain groups perceive a product, a brand or a company. The image refers to the way in which these groups decode all of the signals emitting from the products, services and communication covered by the brand. Identity is on the sender's side. The purpose is to specify the brand's meaning, aim and self-image. Image is both the result and interpretation thereof. Before projecting an image to the public, we must know exactly what we want to project. Before it is received, we must know what to send and how we want to send it. Figure 3 shows that an image is a synthesis made by the public of all the various brand messages, e.g. brand name, visual symbols, products, advertisements, sponsoring, patronage, and articles. An image results from decoding a message, extracting meaning, interpreting signs. (Kapferer, 98-99, 2008)

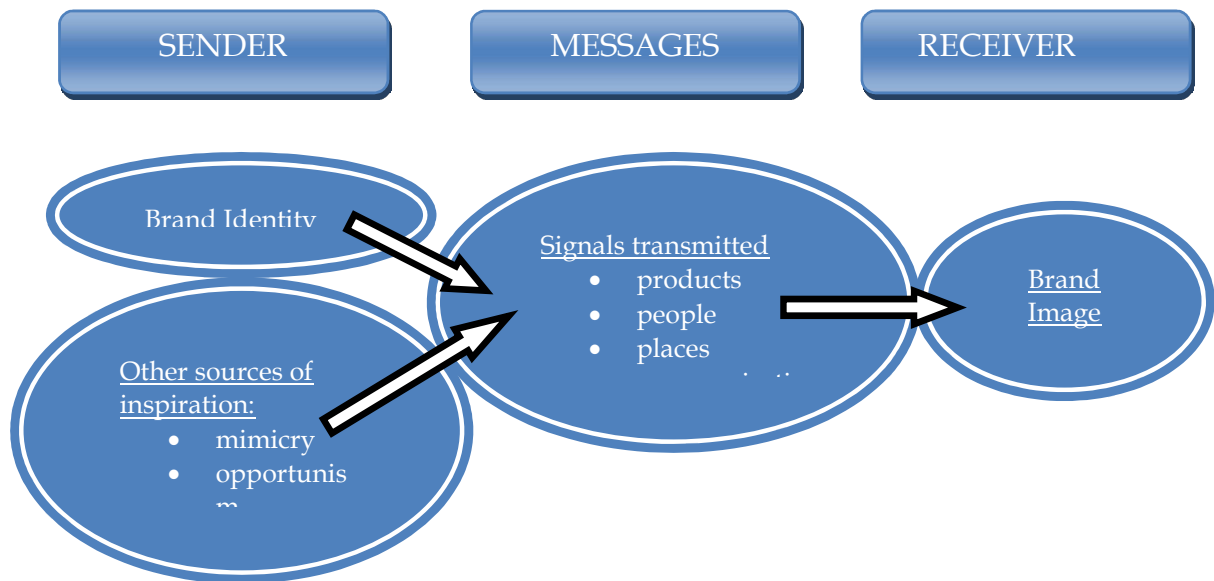


Figure 3 Brand image

The brand personality can be defined as the brand positioning's clothes. The brand positioning is succinct and clear, while the brand personality is wider and colorful. If the positioning is correctly defined and well implemented, it should not change over time, but the personality evolves with fashion and what is happening in the market place. (Nilson, 133, 1998)

Brand identity is the common element sending a single message amid the wide variety of its products, actions and communications. This is important since the more the brand expands and diversifies, the more customers are inclined to feel that they are, in fact, dealing with several different brands rather than a single one. Many researchers have delved brand identity into the organizational identity of companies. Corporate identity helps an organization feel that it truly exists and that it is a coherent and unique being with history and place of its own, different from others. Brand identity can be defined once the following questions are answered (Kapferer, 96, 2008):

- What is the brand's vision and aim?
- What need is the brand fulfilling?
- What makes it different?
- What is its permanent nature?
- What are its values?
- What is its field of competence? Of legitimacy?
- What are the signs which make the brand recognizable?

The term brand personality refers to asset of human-like attributes associated with a particular brand. A brand personality is developed to enhance the appeal of a brand to consumers. To determine brand's personality one can ask the question, "What does the brand want to be liked for by consumers?" The brand personality can take the form of an actual person, a generalized



persona, or an animated figure. However, in most cases the brand personality is a construct of the brand's underlying character or a transfer of user imagery. A brand personality can be shaped by a number of factors internal to the organization. An obvious factor is a brand's founder whose own personality functions as the brand's own. Often a brand personality will derive from the mission and ambition defined by the business strategy, which becomes the mission and ambition for the corporate brand. In yet other organizations a brand personality will be affected more by the organizational culture, history and structure that through a deliberate design or development. (Van Geldeer, 41, 2003)

Brand identity precedes brand image. It has become common wisdom that it is important first of all a consistent self-image of the brand, in order to know how it can be expressed, and how that affects the external perception of the brand. Brand identity can be defined as a set of aspects that convey what a brand stands for: its background, its principles, its purpose and ambitions. Unlike brand's positioning, its identity is unique. There are no two brands with exactly same roots and heritage, values, purpose, ambitions and visual identity. The roots of a brand are defined by the circumstances of its conception: when, where, how, why and by whom the brand was created? The roots can be extremely important when conveying the meaning of a brand to consumers. The heritage of a brand is the history of changes experienced by the brand: a chronology of important life events for a brand, its role to consumers during this period, the trust it has garnered among customers and the satisfaction it has given customers in the past. A brand's heritage consists of the following ingredients (Van Geldeer, 2003, 34-36, Hatch & Shultz, 2008, 53-55):

- Birthright; which aims to convey the brand's original standards.
- History; which help familiarize consumers with the brand and underpin its status.
- Narrative; which tells the ongoing story of the brand.

### **2.3.3 Brand Value**

All brands are built of key values, which lie at the core of successful marketing. In other words, the customers' perceptions of strong, successful brands are made up of several different value dimensions. According to Nilson, 1998, there are two fundamental facts to keep in mind when speaking of brands' values. First, successful brands are made on a combination of product benefits: mainly from tangible values, and emotion, values of abstract, or intangible, character. Second, for the most product sectors, only few value dimensions are important. It is usually only three to four dimensions that have a remarkable impact across the customer base, and very rarely more than seven. (Nilson, 73-74, 1998)

It cannot be argued that these days in general most businesses' values are derived from intangibles. Management attention to these assets has evolved

substantially. Clifton et al, 2009, says that the brand is a special intangible which in many companies is the most important asset because of the economic impact that brands have today. They influence the choices of consumers, investors, employees and government authorities. (Clifton et al, 26-27, 2009)

Values are one's deepest sense of what is right and wrong, and thus aid the choice between alternatives. Similarly, a brand's values consist of what it considers to be right and wrong. These values provide a perspective on how the brand is expected to act towards its stakeholders, including consumers. Even if a brand does not explicitly communicate values, consumers may still expect the brand to live up to certain standards. A case in point is the row surrounding working conditions and worker treatment at plants manufacturing products. It is thus important not only to decide which values are suitable to communicate and live by, but also determine what consumers expect your minimum value standards to be and to live up to those. A brand's values are often strongly influenced by the internal conventions of its organization. The internal brand legacy influences the brand values when the brand has particular founding values that remain or become relevant again to the organization. (Van Geldeer, 38, 2003)

Brand owners must constantly ensure that the qualities and values of their brands are maintained. They must continue to appeal to the consumer and should be developed in order to maintain their attractiveness in a changing society. Brands can seldom shield brand owners from their own failure to maintain quality, from their failure to keep their brands in good repair or even from their own rapacity or stupidity. Brands are fairly robust and capable of surviving in adversity. But consumers are not fools and will not maintain their support for a brand once it ceases to keep its side of the bargain. (Hart & Murphy, 1998)

#### **2.3.4 Human Values**

According to Batey, values are organized into values systems, which are hierarchies based on a prioritization of an individual's values in terms of the strength of those values. Values influence attitude and behavior, so one value systems determines how we interact with friends and family, another how we behave in our work environment and so on. Generally speaking, values are more stable and enduring than attitudes. One value theory is used to measure personal and social values. Batey distinguish two kinds of values:

- Instrumental values reflect modes of conduct and behavioral characteristics that are ways reaching terminal values.
- Terminal values reflect end states of existence or a desirable end state in life that individual would like to achieve. These values may be self-centered or society centered.

Personal values play an important role when determining consumer behavior. "Freedom" as an important terminal value to an individual, for example, may imply a desire for freedom of choice and interesting wide product lines and differentiated products. The instrumental value of "independent" might prompt a consumer to seek out customized or unique products that allow expression of his or her own personality and distinctiveness.

Social psychologist Schwartz (2003) has summarized the main features of basic values as follows:

1. Values are beliefs, cognitive structures that are closely linked to affect. When values are incited they become fulfilled with feeling.
2. Values pertain to desirable goals or end states, such as social equality or fairness.
3. Values transcend specific situations or actions. This characteristics of transsituationality differentiates values from narrower concepts like attitudes, which tend to be more situation specific.
4. Values serve as standards or criteria that guide selection and evaluation of behavior, policies and events.
5. Values are ordered by importance relative to one another, the result being a system of value priorities by which cultures and individuals can be characterized.
6. The relative importance of the set of relevant values guides action.

### 3 FAMILY BUSINESS

The term *family business* has as many definitions as there are interpreters. It has a wide range of different forms. There are many standards created by different institutions, countries, continents, universities, legal facets, etc. The term of family business is defined in the following chapter.

Family businesses are owned by families – groups of related individuals, each with their own mixture of values, history, and emotional relationships. Through the family business some families seek continuity, closeness, a sense of community, and belonging to something meaningful. (Hess, 2006)

Poutziouris et al, (1996) defines family business as “an owner-managed enterprise with family members predominantly involved in its administration, operations and the determination of its destiny. Family members may include parents, children and grand-children; spouses, brothers, sisters and cousins”.

Neubauer and Lank (1998) have listed as well the most common elements of the myriad definitions of family business:” (p. 5)

- The percentage of share capital owned by a family.
- Employment of owning family in executive or other positions.
- The existence of non-family in executives or employees.
- The extent to which the intention is to maintain family involvement in the future.
- The number of the generations in the owning family involved in the business.
- The number of families involved in either management and/or ownership.
- Whether a given family accepts that it controls its own enterprise.
- Whether non-family employees accept that it is a family enterprise.
- The size of the enterprise, particularly the number of employees.”

The ultimately definition of family business, according to Poza, 2010, p3 is an enterprise where two or more family members are employed in the business and the family retains the control in the business. Although, here we can see the

distinction of the definition between different facets. The European Union, 2009, has created standard of the definition of family business for the union countries, which is based on the Finnish definition (set up by the Ministry of Trade and Industry of Finland in 2006) and has been widely accepted and has advantage of being comprehensive and operational: "A firm of any size, is a family business, if:

- 1) The majority of decision-making rights are in the possession of the natural person(s) who established the firm, or in the possession of the natural person(s) who has/have acquired the share capital of the firm, or in the possession of their spouses, parents, child or children's direct heirs.
- 2) The majority of decision-making rights are direct or indirect.
- 3) At least one representative of the family or kin is formally involved in the governance of the firm.
- 4) Listed companies meet the definition of the family enterprise if the person who established or acquired the firm (share capital) or their families or descendants possess 25 per cent of the decision-making rights mandated by their share capital. "

According to Poutziouris et al, (2006) all these important characteristics stated before can be important for describing a family business. In their research, they created a range of possible family business definitions from a broad, inclusive definition to a narrow and more exclusive one. The level of inclusiveness depends on the perceived degree of family involvement in business. Their broad definition "bull's-eye" is the most inclusive and requires only that there be some family participation in the business and that the family have control over the business' strategic direction see figure 3.

A family business inside the center of the ring, their narrowest definition, may involve a grand-parent, two or three siblings in top management, one sibling with ownership but no day-to-day responsibilities and younger cousins in entry level positions. In this scenario, multiple generations have a significant impact on the business. Although a common example of a family business at this stage of its life cycle, the founder no doubt had a similar profile to many of the entrepreneurs included in the other circles of the bull's-eye just a generation or two earlier.

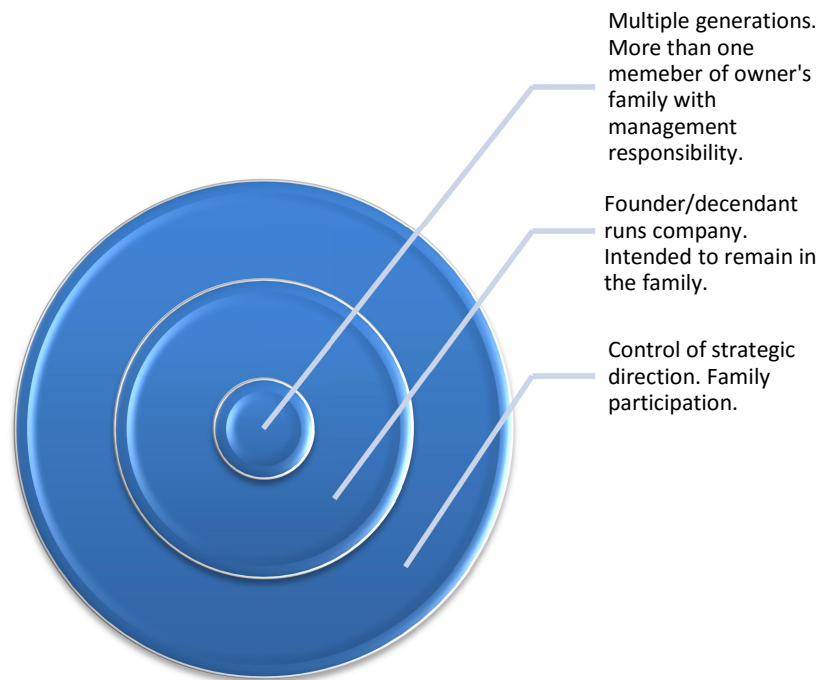


Figure 4 Family business universe

### 3.1 What distinguishes family business from corporate business?

What distinguishes the family business from corporate one? Well, the first word says it all, *family*, this term already says that it involves family members together. The second presumption is that it must have more emotions in the game, because there are family ties included and that way the whole infrastructure of the business can be much more unlike that in corporate model. Where then it affects in the infrastructure of a business? The effects can be seen in every single area of business, well almost, the main principle is still to gain profit. First of all the ownership of the company is different which effects to the governance of the company; management, board of directors, CEO, succession, etc. Most of all the values of the company are different which affects to all of the stake holders of the business: employers, customers, suppliers, creditors, community, etc. These values can be more humane than other corporate ones, because the company has more emotions attached in the business. This evolvment should be taken under consideration in branding process, which would in the end have an effect to the end costumer.

Hess (2006) states that a family and a business are two dynamic, evolving, changing organism, both unique, with their own history, challenges, strengths, weaknesses, opportunities and threats. A family business is the interaction of

these two dynamic organisms. Family issues will interact, figure 5, and overlap, figure 6, with business. The family will impact business, because of that impact most family businesses operate differently than corporate ones. The business will also impact the family, because family members' livelihoods, financial security, status and community standing are derived from the business.

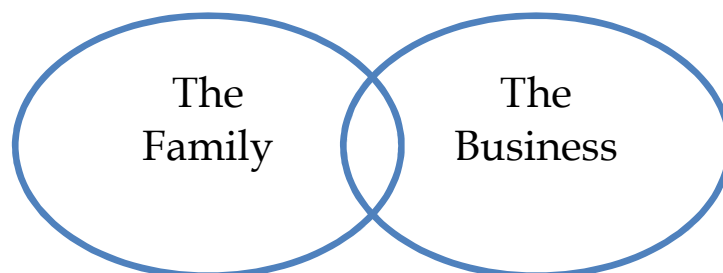


Figure 5 The overlap

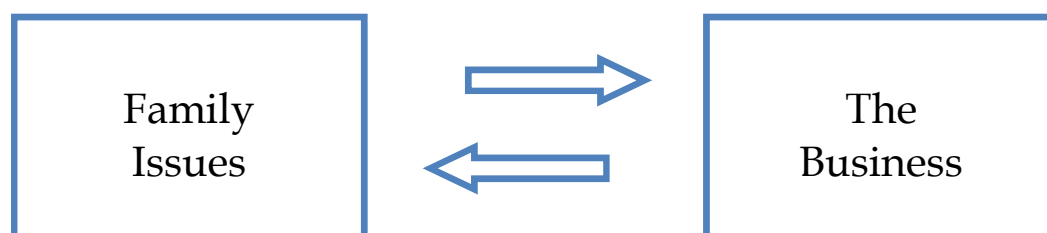


Figure 6 The impact

It is rare for a family business to be static. Something is always changing. Family members are aging, getting married, having children, getting sick, divorced, etc. Likewise, the business is changing, new competitors, employee's quitting, new customers changing, etc. It is this constant - evolution of the family and evolution of the business - that creates a continuous flow of family business issues that need to be managed in order to increase the probability remaining successful and the family remaining harmonious.

According to Timmers (2008) awareness of family businesses among the general public is low. People simply cannot distinguish a family company from a "normal" company. Many family companies fail to do this, when the evidence suggests that they should. Timmers research shows that family businesses are perceived more positively when compared to their counterparts. People perceive family businesses to be more successful, entrepreneurial and profitable. Moreover, they also consider family companies to be more innovative, dynamic, transparent and creative. These characteristics prove family businesses to be an interesting employer or business partner.

According to Leach (1991) there are special strengths and weaknesses in family firms. The advantages that distinguishes most family businesses is the

unique atmosphere, which has an enhancing common purpose among the whole work force, created by “a sense of belonging”. This intangible factor creates a number of very concrete and positive qualities which can give family business a significant competitive edge. The list of good qualities in family business can be shown in the table 2. But as well as there are many valuable advantages, family business is exposed to some serious and endemic disadvantages. In the same way that strengths are not unique to family businesses, neither are the weaknesses, but family businesses are vulnerable to these failings. Many of these problems bond on the inherent conflicts that can arise between family and business values. The disadvantages in family business can be seen in table 3.

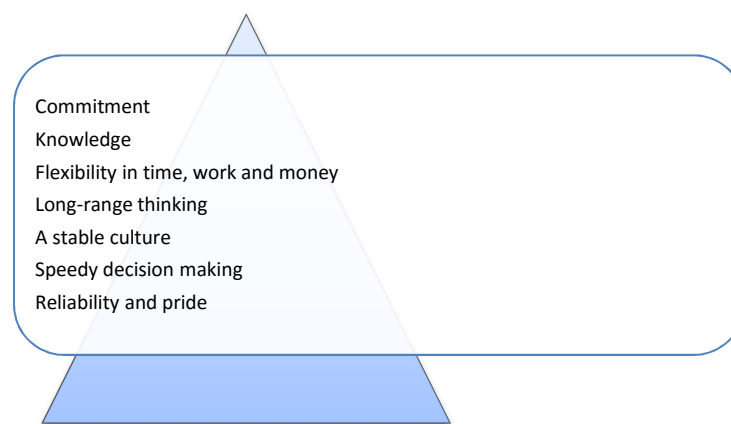


Table 2 Advantages in family business

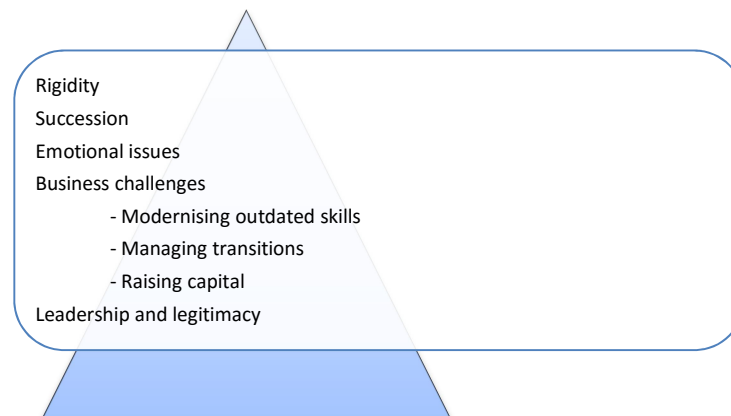


Table 3 Disadvantages in family business

One of the interesting distinguishing parts, but not so familiar, of family business versus corporate business is the governance of the company. Obviously family businesses have as well the normal governance tasks such as directing, controlling, and accounting, etc. According to research done by Neubauer and Lank (1998) the family businesses has different kind of family



institutions working together with the rest of the governance, which are *family meeting*, *family assembly* and *family council*. These three different institutions are briefly defined in the following, according to Neubauer and Lank (1998).

The most common and simplest family institution is the *family meeting*. This meeting tends to be a very informal get-together and may initially involve only the owner and his/her spouse discussing family and/or business issues. These meetings may be relatively often, even daily, and can be held at the dinner conversation. These kinds of meetings may pave the way for the children to learn straight about the family enterprise. As the family matures and the transition is made to sibling partnership, each family may continue these unofficial family meetings. But pressure will start to mount to create a forum for discussions between the branches of the owning family. As the time goes by these meetings may become more formalized and be relabeled *family assemblies* and *family forums*. At the cousins' confederation stage it is nearly necessary to have such assemblies if the family wants to avoid the negative forces that come with a larger shareholder group, multiple branches and both active and non-active shareholders. Family assembly is usually led by the CEO or patriarch of the family and they are held once or twice a year. The *family council* usually comes into existence when the family assembly reaches a certain critical mass and becomes too difficult to handle to do all the work necessary to govern the family and play a positive role in the interface between the family and its enterprise. In smaller families its duties can be handled by *family meetings/assemblies*. By the time the cousins' confederation stage is reached, it is vital to create a family council. (Neubauer and Lank, 1998)

### **3.1.1 Family structure and family cohesion**

As stated before, one of the most important differentiations in family business is the family roots and family relationships which brings the deep emotions to the business and can tear the business apart, because of the inner disagreements between family members. That is why it is good to understand about the family structure and cohesion.

According to McLendon and Kadis (2004) the structure of family business in large defines the process of family business relationships. That is why; one of the focuses of many advisors is to help the family inject appropriately designed structure into their family enterprise. Structure organizes and frames the family, giving it form and shaping the family processes. Structure is best considered by looking at the boundaries between different individuals, between different generations, and between family and non-family. Typically we think of boundaries as divisions between parcels of land or other physical entities. When applied to human interactions it is somewhat similar. Boundaries are a set of invisible characteristics by which individuals and groups distinguish themselves from one another. With their multiplicity of relationships, functions, obligations and loyalties, business-owning families have the greatest opportunity for success when relationship boundaries are clear.

Cohesive and cohesiveness, the terms used to refer to the interpersonal bonds that exists in groups such as the family or a work group. The sense of belonging to the same unit, sharing the same values and goals is universally recognized as the single most consistent factor that defines the healthy family. Accepting this leads us to that the development of cohesiveness is probably the single most important goal of the business-owning family. (McLendon and Kadis, 2004, Fletcher, 2003)

Cohesiveness, part of the experience of collaboration, is measurable and has been shown time and again to result in more satisfaction with relationships and better outcomes in both the relationship and projects undertaken collaboratively. So, a successful family business involves mature individuals who work collaboratively and are committed to achieving a common goal: to successfully preserve the wealth of the family, which consists of its human, intellectual, and financial capital. (McLendon and Kadis, 2004, Fletcher, 2003)

### **3.2 Family business relevance to economies**

The significance impact that family businesses have towards economy is huge. In Europe as well as in North, Central and South America, family businesses dominate the economic structure and control significant parts of the economies of many countries. Thus, family businesses are an important part of our global economy. (Hess, 2006)

According to European Commission statement, 2009, family businesses make up more than 60 % of all European companies, including a wide range of firms of different sizes and from all sectors. They state as well that it is not just the impact to the economy, but also of the long-term stability they bring, the specific commitment they show to the local communities, the responsibility they feel as owners and the values they stand for. (EU, 2009, 4)

According to Elo-Pärssinen (2004) Finland's family business embody "accountable ownership" with a face, they are arguably the backbone of the economy as well as the engine powering it. Their broad goal is not unlike family businesses owners the world over: to pass down an enterprise in a better condition than when they themselves took over. Most of Finland's businesses are SMEs (99%) they employ less than 250 people. Despite their large number, relatively to large businesses, Finland's SMEs have far less influence in terms of revenue. Still, they account for 60% of workers employed in private businesses and make up just over 50% of the country's total revenue. She adds that there is a study on the societal significance of family businesses, more than 50% family ownership, in Finland. The study found that family firms account for 86% of Finnish enterprises and 75% of those working for SMEs worked for a family business. By contrast, another study tells that Finnish family businesses employed 48% of workers employed by private businesses, with revenue totaling 40% of all Finnish businesses. More than 100 of Finland's 500 largest companies, in terms of revenue, are family businesses. Family businesses

appear to maintain and develop Finnish society on many levels. It could be argued that successful companies that employ people, creating welfare around them, form the foundation of Finland's welfare culture.

## 4 BRANDING AND FAMILY BUSINESS

Branding and family business is not a terminology which one can see often related together. Although, the term *family business* and *branding* are widely researched terms, but surprisingly little has been done by combining them. Even though, family business has history far beyond than corporate business, there can be found only few articles and theories related to family business branding.

Micelotta and Raynard (2011) suggest as well in their article, about corporate brand identity strategies in family firms, that firms can strategically deploy their family identity to reach a competitive advantage over nonfamily firms by the positive attributes such as trust, commitment and customer-oriented focus, which are typically related to family businesses. They state that there is paucity of research examining how family companies include and communicate their identities as “family businesses” in their marketing actions. Their first study was to examine the world’s oldest family businesses’ websites and how they communicate their corporate brand identity to external stakeholders. The study showed three distinct strategies: *family preservation*, *family enrichment*, and *family subordination*.

Presas et al (2010) wrote an article about family business branding in tourism and they suggested that the family business branding takes the basis from the corporate brand factors, which arise from three main elements: strategic vision, the organizational culture and corporate images. These three factors can be defined as following, according to Hatch and Schultz (2001). p.277

The strategic vision is the main idea behind the company, which presents and expresses the whole ideology that the company wants to achieve in long term. This is the base where the company builds its vision, mission, the company philosophy and its own objectives. The organizational culture is a set of internal values, beliefs and basic assumptions that embody the heritage of the business and communicates its functions to all of the work force in the company; culture expresses itself in the ways employees feel about the business they are working for. The corporate image explains the different external viewpoints

developed by the stakeholders. The company's overall impression to the outside world including the view of consumers, employees, the media and public in general, etc.

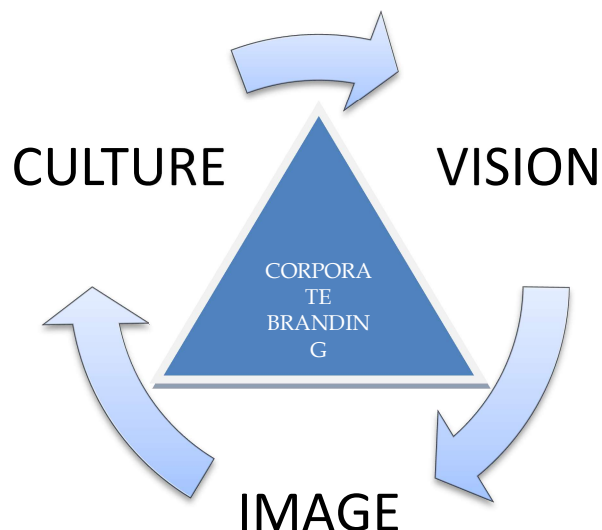


Figure 7 Three main foundations of successful corporate branding

It has been observed that the role of the founder is crucial in family business, when the company develops in accordance with his/her values. These values will be shifted to rest of the family and to the workers as well and they are usually kept through the whole life of the company. In that way, it may be said that the family business usually have a pyramidal structure, as the founder is at all times the reference during business activity, although he/she may not be active within the company.

The entire collection of values contributes to the creation of corporate brand which relates constantly to the values of the family. These values also act as a differential factor with respect to competitors. All the stakeholders within the company must be aware of these values. This means the both the family and company employees are responsible for transmitting these values to the clients. (Presas et al, 277, 2010)

As we know that family business companies has great and interesting stories behind that needs to be taken under great consideration. According to Hatch and Schultz (2001) a story is a very good device for creating emotional and aesthetic connections between diverse groups, such as stakeholders normally are. Every corporate brand has its own story. Stories are such potential communication tools. Telling the story of the corporate brand can be an important and meaningful way to relate the company to its stakeholders.

According to Parmentier (2011) two practices conducive to enhancing family brand visibility can be identified as following: (a) taking opportunities to make the family brand familiar and (b) making opportunities to make the

family brand familiar. These two practices can be wrapped in that making opportunities for enhancing brand familiarity can lead to greater interest from the media and cooperation with the media can lead to greater success when shaping opportunities for the brand. For a family brand to gain visibility, it appears that family members must identify and exploit opportunities that present themselves to make their family brand familiar to relevant audiences. Stakeholders cannot come to understand the distinctiveness of family brand until they are aware of it and paying some attention to it.

According to Craig et al's (2007) very interesting research shows that promoting the family brand image can have a significant impact on the performance of small- and medium-sized family businesses. It appears from the findings that family brand building should be incorporated as a far more salient and meaningful component in generating positive customer response. Managers of family business can benefit by ensuring that they communicate truly unique and relevant family brand values to their customers. The research shows that it is evident that only through a unique customer-centric competitive orientation that values associated with the family brand are effectively communicated and transmitted to customers in a manner that directly affects their purchasing behaviors. (Craig et al, 25-26, 2007)

Timmers (2008) states that propagating a family based brand identity can have a significant impact on the company's performance. The long-term strategic horizon, strong community involvement and reputational capital attributed to the family name translate into a greater perceived value to customers. The family based identity has proven to positively influence buying behavior. The positive influence is caused by the phenomenon of stakeholder identification with the company. Families who run the business are subject to the same tragedies and triumphs in life and the knowledge that they are not dealing a faceless company. Timmers highlights that a huge amount of family businesses possess considerable branding potential which is yet to be unlocked.

It is not only what the family business do that strategically enables them perform better. Family businesses also derive competitive strength through their identity. As the family members hold dominant positions within the company, their beliefs, values and motivation are important cultural drivers. Entrepreneurial spirit and the company belief in long-term relationships are habitually valued in family businesses and are seen as an important driver for business growth. (Timmers, 12, 2008)

The founder's role is often claimed to be the most important defining "who family businesses are". The powerful influence of the family identity on the organizational culture creates high levels of employee engagement, thereby improving company's performance. People employed at family companies identify themselves more strongly with their company, and display higher loyalty and work satisfaction than those at similar, non-family-owned companies.

The inherent reflection of the family beliefs, values and motivations in the company can provide a cultural uniqueness which is able to drive performance

and provide serious competitive advantage. Another very important asset of family companies is their involvement with their environment. Family businesses around the world seem to be more closely involved with their environment than their counterparts. (Timmers, 14-16, 2008)

Timmers (2008) gives three aspects to leverage the family advantage of the family business shown in table 3.

| Leveraging the Family Advantage  |  |  |
|--|--|--|
| <p><b>1. Instrumental:<br/>Promoting the family business fact</b></p> <p>Simply telling the stakeholders that the company is family owned. For example telling in the company logo "family company".</p> | <p><b>2. Benefits: Promoting the family business attributes</b></p> <p>The second level of family business branding conveys the inherent strengths and advantages of the family business. Leveraging a specific aspect, this can prove to be an even stronger message.</p> | <p><b>3. Emotional appeal:<br/>Promoting family values</b></p> <p>The third level actively incorporates family beliefs and values into the brand. It is about finding unique and inspirational beliefs, motivations and vision from the company owner.</p> |

Table 4 Leveraging the family advantage

## 5 EMPIRICAL RESEARCH

In this chapter I will focus on the empirical research of my thesis. First I will go thru the empirical research focus and explain why I have chosen this subject. In the second part I will introduce the chosen research method. Thirdly, I will go thru empirical research design which was chosen and why. In this chapter I will also have the questionnaire form which is generated from the chosen research method and theory, including branding, family business and branding a family business.

### 5.1 Empirical research focus

As stated before a company cannot succeed anymore without branding, so I think that there is a great need of understanding the family business branding. As previous studies has proven that family business is different than corporate companies. They have different values, mission and governance. With these differences the family business can have deeper and prominent values to the customers which can give competitive or absolute advantage to the company. The ultimate reason for this research is to understand the key areas of how family business branding differentiates from corporate branding and give guidelines to family business branding.

Via branding one can communicate specific features or messages to consumers from a company. With branding one can plead to different type of attributes in consumers. They can plead to rationality, emotions, practicality, dignity; the list goes on and on. So, it is crucial to find the strongest features and niche gaps from the company and scoop them to branding.

The research focus in this study is to understand the family values used in the companies. Also, understand the brand and branding in the companies and discuss about the brand strategies of the companies.



## 5.2 Choosing the research method

Choosing the right research method in this research was very easy. As the topic is barely researched; for this reason a qualitative research is needed. The correct method is an interview, especially having a face to face interview where the atmosphere is most pleasant for the interviewee.

In this research the main focus was using qualitative method to get the needed information as an interpretative analysis. The following chapter opens up the theory behind qualitative interview.

### 5.2.1 Interviewing as a research method

According to Schostak (2006) interview can be described in terms of individuals directing their attention towards each other with the purpose of opening up the possibility of gaining an insight into the experiences, concerns, interests, beliefs, values, knowledge and ways of seeing, thinking and acting of the other.

An interview is the interaction between an interviewer and interviewee through a face to face dialogue. The nature of the discussion can range from highly unstructured to highly structured. In both cases there need to be much taken care to avoid the biases and inconsistencies in the collected data. (Hair et al. 2003, 132)

Hirsijärvi & Hurme (2008) states that interview is one of the most used data collecting forms. Especially the use of informal or less structured interview methods has been more popular. As the whole interview is a flexible procedure, it fits to many different research functions. In an interview people are in straight verbal interaction with the examinee, allowing for a possibility to aim at the data collection in the real situation. Also it is possible to elicit the motives behind the answers. Non-verbal hints can try to understand the answers and sometimes even understand the meanings unlike in the beginning where thought. It is possible to adjust the order of the interview topics. Researches present different arguments when choosing the interview method. The interview is often chosen by the reasons shown below:

- Desirable to highlight, that person has to be seen in the research situation as a subject. The chance to bring up the points as freely as possible. The person is the part of the research that creates meanings and is active.
- To fit the interviewee's speech in a bigger context.
- To clarify the answers.
- To deepen existing information. It can be asked for arguments for the appointed opinions.
- To analyze sensitive or difficult issues.

Both an interview and a questionnaire are methods which affect consciousness and thinking. There are many sorts of interview as there are questionnaires. A questionnaire is used as based on its easiness and maybe more because of its non-scientific functions than interview. For example a shopkeeper can ask with questionnaire about the shop's opening hours. With this kind of use, the questionnaire has both good and bad aspects. The generalization of the questionnaires, for example in taxation, has led to the fact that people are experienced in using them. However, people are also bored of dropping questionnaires from the mailbox. There are many aspects that plead for interview:

- Interview is better, when the questions concern about the whole population.
- The possibilities are bigger to motivate in an interview than in a questionnaire.
- In an interview, the order of the questions can be adjusted.
- With an interview, more people can be reached.
- Interview fits better than questionnaire for emotional and intimate topics.
- Interview can be used for a survey.
- Interview helps to get descriptive examples.
- Interview covers areas which are not yet objectively tested.

According to Kvale (1996) an interview is the raw material for later process of meaning analysis. The quality of the original interview is definitive for the quality of the later analysis, verification and reporting of the interview. There are several quality criteria, listed below, for an ideal interview requiring that the meaning of what is said is interpreted, verified and communicated by the time the recorder is turned off. This demands craftsmanship, expertise and presumes that the interviewer knows what he or she is interviewing about, as well why and how. Although such quality criteria might seem an unreachable ideal, they can serve as guidelines:

- The extent of spontaneous, rich, specific and relevant answers from the interviewee.
- The shorter the interviewer's questions and the longer the interviewee's answers, the better.
- The degree to which the interviewer follows up and clarifies the meanings of the relevant aspects and answers.
- The ideal interview is to a large extent interpreted throughout of the interview.
- The interviewer attempts to verify his or her interpretations of the interviewee's answers in the course of the interview.

- The interview is “self-communicating” – it is a story contained in itself that hardly requires many extra descriptions and explanations.

### 5.2.2 Questionnaire for the interviews

In the following is the list of the questions which were given beforehand to the respondents. In this study the questionnaire is composed from the theoretical part of the study, which includes theories from branding, family business and combining them together.

1. How would you define your company’s brand/branding? What is branding in your point of view?
2. Does your company have a brand strategy? How the company brand has been planned / designed and how it will be developed?
3. Are there certain values highlighted in the corporate brand?
4. How important are the family values to your company? Are they important to the brand and can they be seen in it?
5. In general what do you think of using family values in your corporate image?
6. Are the family aspects / familiness used in any level in your company etc. values, corporate image? What is the family brand in your case and does it differ in somehow and if it does then how?
7. Assuming a situation where a customer / business associate does not know about the company’s family ownership background and it comes out in a conversation. Does it make a reaction to the customer / business associate? If it does is it positive / negative or does it make any kind of reaction?
8. As these days the “warmer” more human values are being more and more appreciated such as the “greener image”, could you think of using the family values as in your corporate image / brand to get the more human touch to the customer?

### 5.3 Empirical approach of the interview

The main focus in this research was to get the needed information from the representatives of the family businesses. To get this information four personal depth interviews were conducted. All the respondents held a major position in the company and are owners of the companies except one has a position only in the board of directors, but has a family business background.

#### 5.3.1 The chosen interviewees

The focus on the chosen companies in this research were to find a family companies which have a good known brand, name that everyone knows, has many generations in the history, are located in the medium sized companies category and have a great commitment towards family business. The interviewees needed to have ownership, have a position at upper management level or in the board of directors to have the ability to talk on behalf of the family and family business, because in my previous studies and interviews I have learned that one who can relate to the family issues needs to be very close to it. You can be a CEO of a family business, even if you are not a family member, and you can refuse to relate to the owner side and related issues.

To gain the interviews I called several companies and told my interview willingness and research problem, but most of them got stuck due to the lack of time or interest in this study. Fortunately with adamant persistence, thru some good personal and professional connections I got the access straight to interviewee past secretary or middle management level, where almost every one of them got stuck.

The interviewees represent the elite of the Finnish industry and entrepreneurship, they all have long history in family business and their companies represent huge Finnish brands. The companies have survived thru successions and devastating depressions. The gotten interviews were given by the majority owner of the Onvest group Mrs. Maarit Toivanen-Koivisto, who holds the position of the chairman of the board and is the CEO, and a title of Vuorineuvos has been granted by the president of a lifetime achievement in the Finnish industry. The chief executive officer of Plastex Corporation, Mr. Lauri Ant-Wuorinen, who is a major owner and holds a position in the board of directors as well in Finnish Plastics Industries Federation. The majority owner of Vallila Interior and the chairman of the board Mrs. Anne Berner. Mr. Philip Aminoff, the major owner and the chairman of the board of Veho Group and is the Paulig Group's chairman of the board. Mr. Aminoff is also a board specialist with numerous board positions. He has been also in the team defining the European Union Commission standard for family business.

### 5.3.2 Interview in practice

The interviews were conducted following the same structure: beforehand the questionnaire as sent to interviewees via email. So they had the possibility to prepare to the interviews. This was repeated a day before the interview took place just as an awakening reminder and friendly gesture to keep the interviewee as pleased as possible to get the best interview.

Each interviewee took from forty minutes to one hour depending from the person interviewed. The interviewees were encouraged to speak widely and around the topic with no limitations as all the needed material would be gotten. Also, if new areas of interest or different points of view were taken place, they would be taken into good highlight for possible further research.

The interviews took place at the offices of the respondents so that the interview could be easy as possible and to have the most relaxed feeling for the interviewee. All the interviews were recorded to get most accurate answers and material. After the interviews the recorded material was littered as a transcript as soon as possible in order to get the highest possible accuracy from them.

## 6 RESEARCH RESULTS

This chapter contains the empirical part of the study. The empiricism is based on the interviewed representatives of the companies. The interviews were recorded and littered after the interview. The interviews are opened in to six main themes towards my research problem.

### 6.1 Brand from the company point of view

All the interviewees had the same statements when generally speaking about the company brand. The basis for the corporate brand forms from the company's establishment, name, history, proudness, quality, being national, values and strong believe in themselves and towards the future. Every one of the interviewees had a great story to tell of the history and the founder of the company, which has a great influence to the company brand as all the companies are in multi generation stage. These are the fundamental pillars to the brand base for all the companies. All the interviewees highlighted the issue of the long term nature and proudness what the family has towards the company and the brand. There were no indications towards the aspect that any of the companies would have ever even thought of changes the company name, because it is so strong base for the corporate brand and the history. The difference comes while going deeper in the sub-brands, products or services.

Plastex's CEO Ant-Wuorinen states "Our products brand highlights strongly domestic production, Finnish values and Finnish design". Onvest's Toivanen-Koivisto says that they have many sub-brands for example b2b or daily products where different brand aspects are highlighted, but the basic fundamentals come from the corporate brand as well in them. Aminoff states an extremely good point of view in this research: this should be in further investigation divide into eponymous family businesses where the family name is the same as the company name and then the family owned companies where the brand name is something else then the family identity. He claims that this

answer affects very much to all these questions whether the brand has family name or vice versa.

## 6.2 Corporate brand strategy

All the respondents had the same anecdote behind the brand strategy. The brand has evolved and developed during time. The brand has grown around the founder of the company and the story behind, which is also the base where the core values have evolved. The familiness and family is behind in every company's brand even though it is an eponymous company or not. The familiness is more present in the eponymous companies' brand. The history and the values of the company are the main fundamentals in the brand strategy. The founder and the story behind him/her to the great success plays key role in the company brand. As people have always loved great stories, one can say it is still very valid in branding family businesses. There has not been any brand strategy in the early years as branding has become a science just a couple decades ago and only now days it has penetrated into business strategy. The present brand strategy differs between the interviewees.

Plastex has seized the issue only past five years, according to Ant-Wuorinen, before this there has not been any strategic thoughts towards it. They have made strategic rounds where they have gathered with different kind of expertise to think about the brand. With that knowledge the board of directors have gathered and created the brand strategy, where the basis has evolved from the history. Also Toivanen-Koivisto says "The brand has evolved on time to its high level, but there has never been a real strategy behind it, only what has been earned by time and history." She points out that they are very aware of the high level of the brand, which needs to be maintained and protect. The CBO of Vallila states very clearly that they do not have any kind of brand strategy and there is no need for that, but they very well know what their brand is. "The basis of our brand has been created by the strong values and powerful identity which comes from that we know exactly who we are and what we represent as a company." In Veho's case the brand strategy is very clear these days, states Aminoff: "The main brand is built up on the idea of serving the customer the best." The whole idea of the brand is that the customer gets the perfect service and everything from the same house. But underneath this main brand strategy, there is this base brand ideology of the Veho group that it is family owned business, always has been and always will. It is not shown in the brand, but on time it has become very well known fact and of course we are very proud owners, says Aminoff. The strategy behind Paulig is extremely clear and well executed: "It has been developed while I've been chairman of board of directors." The brand has been developed under the operational management and a brand specialist organization from Sweden and the whole staff and board

of directors. The whole process of it has been extremely well documented, states Aminoff.

### **6.3 The values used in the corporate brand**

All the interviewed companies have corporate values, but they have not been always taken for granted. They have developed during time and history. Also, they have been changed during time and the current atmosphere that has been prevalent in that time. As the values are key fundamentals to the company and also to the owning family/families. The values need to be accepted and examined by the running families during time and especially in successions, that they meet each other. The values which were common and emphasized in the companies were: sustainability, Finnishness, accountability, quality awareness, kindness and ethical issues. The value of Finnishness is very close to every one of the interviewees even though it was not used strongly in marketing or branding. The fact that something is manufactured or designed in Finland creates huge proudness of the reputation that Finnish quality and work force have. Two of the interviewees noticed that familiness is used in the corporate brand.

Toivanen-Koivisto states that she was the one who created the values for Onninen back in the eighties, because there were no written values in company, as she was working in the marketing department at that point of time. She created the values by reading her father's speeches from different occasions and there were certain themes which were repeated. These themes created the base for the corporate values. Ant-Wuorinen and Koivisto both highlighted the fact that the values need to be approved always by the present and ruling family, if there has been changes in the owning family or in a succession process. "Family values are not in front of Veho's brand, but in the background they can be felt." states Aminoff. Vallila's Berner says "Instead of emphasizing of being a Finnish company the center value is the family value, our family and our family company." "I belong to that party who thinks that family and family business cannot have different values. If the family values differs from the family business values, then the other one will suffer." Berner adds.

### **6.4 The importance of the family values and their effect to business behavior / culture?**

Here the interviewees all stated that the family values are highly important to the company. How they are seen, implemented or used differs between the



companies, but the key factor is that they are important and that they affect to the business culture and behavior. One of the most important effects that it has is towards the company is sustainability and devotion that comes from the ownership, which creates huge credibility to customers and other stakeholders. Here is a very crucial notification that interviewees want to underline: one of the biggest and most important jobs that the operative management or board of directors need to do is to have a proper relations to the whole ownership and the families behind them, because they are the back bones of the present and future ownership. Therefore, the family assemblies play a massive role towards said backbone of the family ownership. It functions so, that the future owners, or possible managers, know exactly what happens in the business and how the business is being developed. Family assemblies are essential to keep up the attractiveness and education about the business to the future families and owners to keep the sustainability, state the interviewees. The interviewees also mentioned that the strong family values which are highly respected forms into other values, which are related to the family values, in the company as well such as ethical issues, loyalty, kindness, and social responsibility. Also, they stated that the atmosphere for workers is much more human than in ultra-capitalist companies and their valuation in the company. The owners wants to have for the workers the same family feeling that they have with other owners, that this is for our good and we are all together here. The interviewees stated also that the weakest link can be the strong family connection while doing the business, because of having different point of views or appreciating different values.

Veho's Aminoff points out to a very good example that when they entered to Sweden's markets, a couple years ago, our family ownership and long background gave us huge advantage compared to new or couple year old businesses. Berner answered the questions how important are the family values to the company: "Simply answer is very important!" She adds that it is very experienced factor. There are three generations working in the company and the relations between them are extremely important. "We can easily make decisions that maybe are not profitable for the business, but they maintain the family relationships."

## **6.5 Using the family and familiness values in the company and corporate brand**

Here the interviewees all stated that the family values are highly important in the company, but they don't necessarily have to be mentioned in the corporate values. Two of the companies have family values in the core values mentioned, even though everyone agreed that family values are behind the core values and modifying them.

The family values are present in the company and this can be seen in how the company deals with customer, respects employees and is having more human values in the corporate culture and marketing/branding points of views. However, it does not mean that the family values are a daily repeated mantra, but they are from the time being already absorbed in the whole business culture which has had an effect to every department in the company. This creates a differentiation in the whole business compared to a stock listed business. The most operative feature in a family owned business is that the customers have much bigger respect towards them, states the interviewees. That way the customers has a lower threshold to purchase or use the services from a family business compared to other companies. They feel that the company is closer to them, because they can see that there are “normal” people and families behind the company owning and working there as well.

Paulig's CBD Mr. Aminoff states “Strong quality awareness and sustainability has been central values from the beginning and with the family business dimension together gives an absolute advantage in marketing point of view.

Berner states “The family values are not used in the company image, but they come implicitly from us, as I mentioned before that Vallila does not have brand strategy.” Vallila interacts as a big family. The habit how we communicate through our products, collections and from the whole company speaks our family values. One can see very strongly how we think of our family and importance of it. Also how the company thinks about of humanity and what is right and wrong. These features make our company very credible and products distinguishable. All this can be seen also in the company and brand; for example our strong commitment to the children's hospital project. This is a huge social commitment from us. If we speak about using generally the family values in the corporate branding, I really want to recommend to using them.

Toivanen-Koivisto states about the familiness values used more in branding “It's hard to say because I am not a brand specialist, but in my point of view it correlates from long term ship of the workers who are committed to the company and the values and ideology of the company. If the values between worker and company do not meet, it simply does not work. This effects to the company's brand and how trustworthy it is, because the whole company need to speak the same language” She adds that the key factor is that the workforce feels and adjusts to the company values to which they can relate to. This is the main feature that builds up the company brand.

## **6.6 Does the family aspect and ownership create a positive vibe**

The respondents all stated the same fact that having the family business aspect in the business has only positive reactions, images or conversations which give a positive boost to the actual business procedure. Also, when the issue comes as

a surprise to the customer, business associate or other stakeholder, it has also a positive feeling along. They all stated that this is certainly a fact that should be kept in mind when interacting with different stakeholders. Most of the customers' have a great respect towards family owned companies and want to take their shopping and expenditure to a company which has a facial ownership than cold global stock owned company where there is no knowledge of the real ownership. The interviewees stated as well the fact that it has a very positive image if the owner side or a major owner is publicly involved in the company's business action or somehow in the public relations. The customers or other stakeholders have a lower stage to enter the business, while company has a facial ownership. The representatives stated also that in the business to business part there can be seen huge impact of the entrepreneurs side where they specially want to choose their partners that are they entrepreneurs or not. All of them highlighted the fact that the positivity can be seen as the work force as well, because they feel more as a community working in a family business. The positivity can be seen also when doing international business with other cultures which have a great respect for the family owned companies for example Germany, Japan, etc. The key factors that are appreciated in family business are trustworthiness, sustainability, facial ownership and lasting ownership. The representatives all stated after this question and conversation about the family positivity reminded them of an issue that may be this is really something that should be considered properly in the branding and marketing departments and have further researches.

Mr. Aminoff points out that family ownership has an extremely big meaning for the company. The fact that the big Finnish forwarding companies, transportation companies with other significant companies knows that Veho is owned by a Finnish family has a huge impact, absolute advantage, towards business two business area. At the end of the day, if there is a so called "bad situation" or a problem, the level of negotiations is much lower. He states as well that in business two customers it creates this extra safety feature among the other positive features. He highlights the fact that he has never heard anything negative about the family owning aspect only positive. Berner also states the fact that it has been in every stakeholder party only a positive aspect. This familiness effects very much to our whole team which forms up from employees and family members; everybody belongs to big family. Aminoff, Berner and Toivanen-Koivisto together state that the positivity of family business can be seen in the recruiting new people as well. It has been seen that a facial ownership, family values and business values from a family owned company has major impact to job seekers. Aminoff points out "The last decade shows also a big change in the elite of the business executives that they want to work in the well managed family businesses, because there one can really focus on the business activity and not writing quarterly reports, sitting with analytics and reporting to the news."

## **6.7 Conclusion of the interviews**

Even though, the family values are not mentioned in every interviewed companies brand values, they are still very present and active behind the core values. One can say that they are built up from or backbone of the family values. As the interview went on the interviewees noticed that how important and present the familiness values are in the daily business and work environment. In the end, they all stated as well that this is something that really should give more time and research in the marketing and branding department. They suggested also for others for example starting businesses that this should be considered and investigated in the starting point of the company.

## 7 OUTCOME OF THE INTERPRETATIVE ANALYSIS

This chapter contains the outcome of the interviews. The idea is to have some kind of basic fundamentals of what to think of when branding a family business. What are the key values to use in the marketing and branding departments? Also, for the starting family companies to have guidance what are the advantages of family business in the marketing and branding point of view.

First of all, let's start with the main result and outcome of this study; it is important and valuable to show and use the family aspect or familiness in the corporate brand of a family business. The main reasons for this are the positivity, trustworthiness and loyalty what it creates to customers and consumers. These are huge advantages what familiness value gives to the family company compared to rivals. Second point is to adopt brand strategy process already in the early stage of the establishment of the company. To think of the core values where one believe and embraces as an individual, a family and a company. Here can be stated, according to the interviews, that as a family company, values from family values create the wanted competitive advantage for the brand. So, when thinking of the core values of the brand base there must be left room for the values of family. For the last point, a brand does not become strong and valuable in one night, so one need to be patient and deliberate in the brand process. In the end I want to highlight the fact of this study and interviews of the great companies, that I had the privilege to interview, that use the family aspect in the company brand because of the positivity it creates in all stakeholders.

### 7.1 Family brand process

Information gathered from the interviews gives us tools to create a family brand process showed in table 5. First part to think is that will the brand name be eponymous or not. Will the company use the family name in the naming

process or choose something related possibly to the product, but it can be also combined of them as well. The second part is about to consider of the core values of the company, which includes values of familiness, and determinate them. Thirdly is the brand story part, because as all the interviewers mentioned them and what theory tells us everybody loves great stories and of course this includes the family aside to the story. Finally nurturing the brand; this is basic theory about branding, but cannot to be forgotten as the interviewees told us that keeping the brand in good shape and protect it from possible bruises. Bruise is the right word here, because if something happens to the brand image it can be healed.



Table 5 Family brand process

## 7.2 Creating the core brand values

While creating the core brand values of a family business, it is good to think of the values around the family. From the core brand values, the company brand itself breathes. The family values are the ones which are crucial to consider, because from these the consumer gets the positive (human touch, trustworthy, facial, warm, ethicalness etc.) feelings and emotions towards the brand. This

creates a competitive advantage to the company brand compared to rivals. In the following figure 8 are represented key values around the family values.

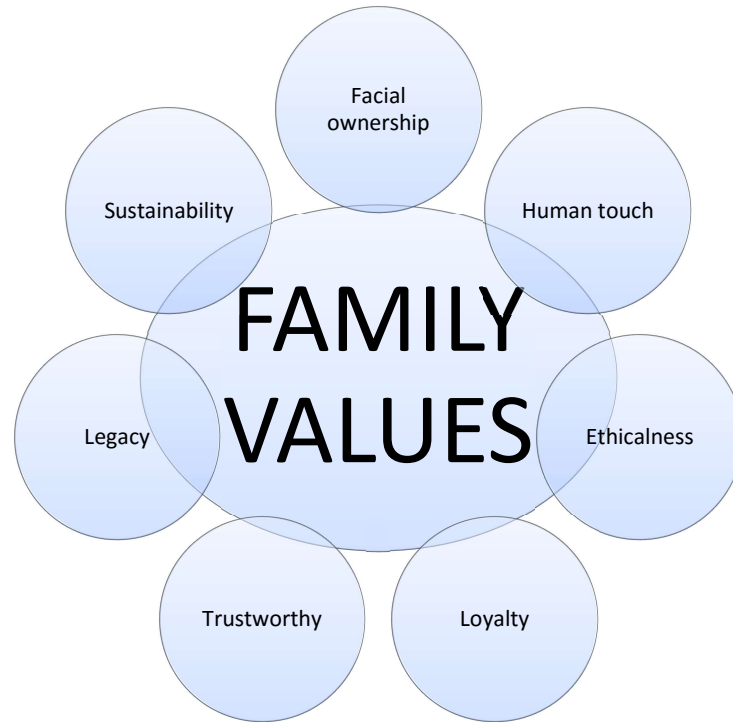


Figure 8 Core family values

## **8 DISCUSSION AND CONCLUSION**

The theory of this research is introduced in the second, third and fourth parts of the research paper after. After that comes the empirical part with the chosen research method with the results of the research. The eighth part of this research is based on the research results which are reflected from the theory part of this research.

### **8.1 Reflection of theory and empirical parts**

This thesis examines the value of family business in the company branding. There were five family owned companies chosen to this research. The companies operated in car selling business, manufacturer of plastic products, textile designer, technical whole sale and building services and coffee refinery. All the company representatives were interviewed with a recorder and by that the qualitative analysis gave the relevant bases for the themes which were searched from the material. All the most essential themes of interviews were also discussed and reflected with the theory.

#### **8.1.1 Branding**

Branding has become more and more important area of successful business and needs to be examined and sharpen all the time. Clifton (2009), Nilson (1998) and Kotler (2003) explain that brand can be just a symbol or word, but with a huge potential. It can have many different value dimensions and it can be something that the business nurtures, builds and unfortunately neglects. Brand is a necessity for a business. Working actively with the brand will give business some distinctive advantages rather than being a basic business. Brands are many times representing of continuity which is important in the sense of



keeping customers relations. The most important element is the name of the brand as it is a universal reference point in any language. The name is one element that should never be changed; it should be as constant as northern star. All the interviewees undeniably accepted these facts about the brand and taking care of the brand. The brand builds up from name, history, proudness, continuity, own values and strong believe themselves and towards the future. All the companies have a great history and a founder where many of the brand values lay on. These are the fundamental pillars to the interviewed companies. The interviewees highlighted the issue of long term ship and proudness what the families has towards the companies and brands of them. Also, the fact that none of the companies have ever thought about changing the company name, because it is the base for the corporate brand and the history of it, as Clifton (2009) and Nilson (1998) states.

### **8.1.2 Brand strategy**

Brand strategy should be, as these days as branding has intrigued into the marketing strategy, common knowledge while doing business. But that is not yet necessarily the case in the companies who are already been in the business for decades as Van Geldeer (2008) states the brand strategy has evolved from company history, stories and culture where the strategy can be put in the expression “that is how we do things here” and that is the strategy. This statement reaches all the interviewed companies and surprisingly it is still the case, that many of the companies simply do not have any kind of brand strategy. As Berner states very clearly that they do not have any kind of brand strategy and there is no need for that. They know that their brand is and where they stand with it. Also we must underline that marketing departments handles as a minor branding issues. The most clear brand strategy in the interviews is in Paulig. The strategy behind Paulig is extremely clear and well executed, and there are brand specialists hired in the brand department. Clifton et al (2009) states well truly great brands own a humongous brand positioning that is consistently executed for their main public. Good brands have either a superior brand positioning with less than stellar execution or they have a good brand positioning with outstandingly executed. Great ones do not compromise; they have best brand positioning and the best execution in the market.

### **8.1.3 Family business**

The family business term has a wide range of definitions and many institutions have made different kind of standards of it. The premier issue is that we understand that family business differs from other businesses and it has different values. Find the key values and benefit from them. As in time the family business term has changed, evolved and distinguished. Poutziouris et al, (1996) defines family business as owner-managed enterprise with family

members involved in different parts operations and management. Neubauer and Lank (1998) have listed most used elements of family business including; percentage of share capital owned by a family, employment of owning family in executive or other positions, number of families involved in management or ownership, etc. Poza (2010) gives us an ultimate definition: family business is an enterprise where two or more family members are employed in the business and the family retains the control in the business. According to these definitions there is no argument that the chosen companies to this research are by heart family businesses. They represent continuity in generations and the major ownership is in the family. In top management and board of directors are family members represented.

#### **8.1.4 Distinguishing family business from corporate business**

There are special strengths in family firms, but also there can be weaknesses according to Leach (1991). The advantages that distinguish most family businesses from regular ones is unique atmosphere, which has an enhancing common purpose among the whole workforce, created by "sense of belonging". This intangible factor creates concrete and positive qualities which can give family business a significant competitive advantage. Leach gives us also a list of good qualities what family business has: commitment, knowledge, flexibility, long-range thinking, stable culture, speedy decision making, reliability and pride. One of the interesting distinguishing parts of family business is the governance of the company. According to Neubauer and Lank (1998) the family business can have different kind of family institutions working with the rest of the governance. There can be three different kinds of institutions: family meeting, family assembly and family council. Here the interviewees highlighted the fact of the most important issue how family business can differ positively from the other businesses. That is the sense of belongingness to the company even though you do not belong to the owning family. One can be completely outside of the family and still have a feeling that one belongs to the big family what the whole company can represent. It does not matter, if one is in top management or a so called blue -collar worker we are all still in the same boat and working for our commonweal. The barriers are much lower and there are no limitations of hierarchy for working. The information passage is much quicker from top to bottom. Also the decision making process is much more efficient and faster than in a corporate company, states the interviewees. Four out of five interviewed family companies has a family related governance meeting. Here we agree the importance of the family assemblies which to Neubauer and Lank (1998) highlights. Three of them have family council and two of them have a yearly family meeting. The interviewees want to emphasize the importance of the family assemblies. For example yearly family meetings are extremely important feature for continuity and long-term ship for the company. To keep the whole community and youngsters the possible future owners and managers informed what happens in the company and where the

company is heading. It is very important to keep them keen and interested to the company.

### **8.1.5 Family business and branding**

Micelotta and Raynard (2011) states that corporate brand identity strategies in family companies, that firms can strategically deploy their family identity to reach a competitive advantage over nonfamily firms by the positive attributes such as trust, commitment and customer-oriented focus, which are typically related to family businesses. To this statement the interviewees mentioned that the strong family values which are highly respected, form into other values which are related to the family values in the company as well such as ethical issues, loyalty, kindness and social responsibility.

The interviewees states also about the family feeling needs to be reached by the whole workforce so that everybody has the feeling that they belong to a big family, which creates huge positive atmosphere for the workforce. As Presas et al (2010) points out that the entire collection values contributes to the creation of corporate brand which relates constantly to the values of the family. These values also act as a differential factor with respect competitors. All the stakeholders within the company must be aware of these values. This means the both the family and company employees are responsible for transmitting these values to the clients.

Family business companies have great and interesting stories behind them that need to be taken under great consideration. According to Hatch and Schultz (2001) a story is a very good device for creating emotional and aesthetic connections between diverse groups, such as stakeholders normally are. Every corporate brand has its own story. Telling the story of the corporate brand can be an important and meaningful way to relate the company to its stakeholders. According to the interviews this is a crucial point in the company corporate brand and marketing. All the companies have an interesting story behind which all of the interviewees knew by heart. Four out of five of them are from the company founder whose blood relation continues to present date.

## **8.2 Suggestions for future research**

As I have stated before about branding a family business that it is very new topic and very slightly studied and researched. All the future researches and studies towards this subject is great and needed pioneering work. As we can see from the results of this study, there is demand for new research towards it. As this study took five family companies under investigation we could continue from this and take a bigger number of companies under investigation. It would be easy from the results of this study to make a survey type quantitative research towards, for example. As the topic is so little researched there are huge

amount of approaches to take under examination. One research area could be to take under examination the eponymous and non-eponymous family businesses. For example, to examine are there deeper level family values used in the eponymous companies or not, as the family name is the brand. Also, a research from the consumer side towards this topic would be a much editorialized point of view, that is how the consumers feel about family companies and their possible positivity.

As branding and family business are relevant study areas and as this study suggests having more research towards it, there would be definitely great space for this subject of branding a family or family business branding. In institutions and universities, where both family business and branding are studied, this should definitely be thought as a cross disciplinary research. This could also create a new differentiation lane in studies for students. Also, the point of improving the corporate development inside universities in this aspect would be good angle. There are many possibilities to seek from this subject.

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