CAN A FAMILY BUSINESS IMAGE BE A SOURCE OF COMPETITIVE ADVANTAGE?

MASTER THESIS

Josephine Phua

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Student No.: 6123331 (Maastricht University) / 24743 (Nova SBE)

Supervisors: Jolien Huybrechts (Maastricht University)
Alexandre Dias da Cunha (Nova SBE)

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Abstract

Given the positive reputation of family businesses amongst consumers, it is widely suggested that their family firm identity could potentially be a source of competitive advantage for family firms. Considering a sample of 321 Dutch family businesses, this study does not find sufficient support for the relationship between having a family firm image and better firm performance. Taking into account the market focus of a firm (i.e. B2B vs B2C) as a moderator, the findings suggest that the family firm image-firm performance relationship could be positive for B2C firms, and negative for B2B firms, although this is not fully supported. The findings also indicate that second-or-later generation firms will benefit more from a family firm image than first-generation firms.

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1. INTRODUCTION

"From our family to families around the world - Dawn Foods started as a family business. And no matter how large we grow, family is still at the heart of how we think, how we treat our customers and how we treat each other." – Dawn Food Products, Inc.

"Sligro Food Group encompasses food retail and foodservice companies selling directly and indirectly to the entire Dutch food and beverages market. The Group is active in foodservice as a wholesaler and in food retail as a wholesaler and retailer. – Sligro Food Group N.V.

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Consider the two contrasting approaches Dawn Food Products and the Sligro Food Group adopt in describing their respective businesses. While both are family firms operating in the food service industry, why does Dawn Food emphasizes the company's family values, while Sligro focuses on the different markets it serves?

Being one of the oldest and most common forms of commercial entities worldwide, family firms are, without a doubt, a key driver of the global economy (Burkart, Panunzi & Shleifer, 2003). It is estimated that family firms are collectively responsible for over 70% of global GDP, and they are even described as the "bedrock of communities, and backbone of the economy" (PwC, 2016). In the Netherlands, family firms are a significant contributor to the economy. They represent 69% of all companies and employ close to half of the Dutch workforce (Flören, Uhlaner & Berent-Braun, 2010).

Although there are many different definitions of what a family business is, essentially, they differ from other firms in terms of the role that the founder(s) and his/her family play in the organization. Due to the idiosyncratic interconnectedness of family and business, family firms hold a set of unique resources available only to this class of firms (Habbershon & Williams, 1999).

This distinction of family firms (from regular non-family owned or controlled firms) has inspired its own field of research. However, most of this research centers on internal governance and organizational issues within the firm, such as agency issues and inter-generational succession (Sharma, 2004). It is only in the last decade that a small, but growing, group of scholars began studying family firms from a marketing and branding perspective.

However, the budding research on family business marketing and branding remains exploratory in nature, and most studies take a qualitative approach to the subject, focusing primarily on establishing a common framework and typology for future studies in family business marketing (Blombäck & Brunninge, 2013; Botero, Thomas, Graves & Fediuk, 2013; Micelotta & Raynard, 2011).

From these early works, it is well-established and agreed upon that the association with being a family firm is generally positive, as family firms are thought to be able to offer better customer service and higher quality products and services. Blombäck & Brunninge (2013) further propose that these image associations are so consistent and strong that the family business can be considered as a brand in itself.

Yet, despite the positivity associated with being a family firm, only two-thirds of family firms promote their family identity to customers (Binz Astrachan & Astrachan, 2015). Are these firms, like the Sligro Food Group, missing out on the potential of leveraging on their family essence, or does the firm's family identity not really matter?

This thesis adds to the emerging body of research on branding and marketing strategies in family firms, by investigating:

Can a family business image be a source of competitive advantage?

In order to provide more coherence and structure to the paper, the main research question is further split into three sub-questions:

a. **How do family firms want to be perceived by the outside world?**

First, the study will investigate if, and how, family firms communicate their family identity. How strongly do they promote their "familiness" and how do they attempt to position this identity?

b. **Are there differences to be detected and explained within the group of family firms?**

Secondly, this study will examine the differences in the communication strategies of family firms, considering that they are ubiquitous in all industries and sectors, so a one-size-fits-all approach may not be appropriate.

c. **Does having a family firm image branding strategy provide competitive advantage?**

Finally, the performance outcomes of firms are studied, in order to determine if the varying communication strategies are impactful on firm performance.

2. Literature Review

2.1 Family Firm Identity vs Family Firm Image

Organizational & Family Firm Identity

Much like the studies of corporate identity and corporate image are inextricably linked, the research on family firm image has largely been built upon organizational identity theory. While the two are related, organizational identity and organizational image are still conceptually distinct (Gray & Balmer, 1998; Memili, Eddleston, Kellermanns, Zellweger & Barnett, 2010; Zellweger, Eddleston & Kellermanns, 2010).

Organizational identity examines how internal members of an organization perceive their organization (Albert & Whetten, 1985). In other words, it provides a vision for the firm by inciting members to reflect on who they are, and what they do, as an organization (Zellweger et al., 2010). This internal self-identity has important consequences for the organization, as it influences the way members (both management and employees) behave (Whetten & Mackey, 2002). It is also essential in guiding the corporate image that the organization projects to external parties (Gray & Balmer, 1998).

In family firms, organizational identity provokes an additional question – *are we a family firm?* (Botero et al., 2013). This is an important question as considerable research on family businesses has focused on their behavioral differences from non-family firms (Chrisman, Chua & Sharma, 2005). Firms who have a strong self-conceptualization as a family firm tend to behave more like one (Kellermanns, Eddleston, Barnett & Pearson, 2008; Zellweger et al., 2010).

For instance, in addition to financial considerations, many family firms place high emphasis on accumulating socioemotional wealth (e.g. long-lasting family control and influence) for family members, even at the expense of short-term financial outcomes (Berrone, Cruz & Gomez-Mejia, 2012). Consequently, this affects their risk-taking behaviour and also promotes a long-term orientation (Gómez-Mejía, Haynes, Núñez-Nickel, Jacobson & Moyano-Fuentes, 2007; Lumpkin, Brigham & Moss, 2010). Additionally, firms are more likely to create and portray a family firm image when they have a strong sense of identity as a family firm (Zellweger, Kellermanns, Eddleston & Memili, 2012).

On the contrary, there can also be situations where family-owned / -managed businesses do not self identify as such. Leonard Lauder, second-generation leader and chairman of Estée Lauder has publicly stated, "we're not a family business – we're a family in business" (Vaughan, 2004). This is despite the Lauder family owning 40% of the company's stock, and controlling (through voting power) 87% of it (Estée Lauder Companies, 2016). This *non*-family firm self-identity also manifests itself in the company's values, culture and behaviour. Rather than fostering a cooperative, teamwork culture that one might expect from family businesses (Miller, Lee, Chang & Le Breton-Miller, 2009), the company drives growth by pitting its internal brands as competitors against each other.

Corporate & Family Firm Image

In contrast to organizational identity, corporate image adopts an external perspective, and concerns itself with how the firm is perceived by external stakeholders. It is the impression that firms intend external audiences to have of them (Dyer & Whetten, 2006; Gray & Balmer, 1998). In an increasingly competitive marketplace, being able to craft a distinct, unique image has become even more crucial (Zellweger et al., 2012).

It has been suggested that family firms may also have a distinctive image in the eyes of consumers (Carrigan & Buckley, 2008; Sharma, 2004). Despite a few negative associations (e.g. nepotism, old-fashioned and non-innovative), consumers generally find family firms to be more trustworthy, and to provide better quality products and more personalized service (Carrigan & Buckley, 2008; Orth & Green, 2009). These perceptions are shaped not only by prior experience with other family firms, but also from the consumer's own positive experiences with, and emotions towards, their own families, which are then transferred to family firms (Botero & Blombäck, 2010).

Further, the marketing perspective considers that corporate image and reputation may be considered a source of competitive advantage since they act as an indication of quality for consumers (Balmer & Gray, 1999; Hsieh, Pan & Setiono, 2004). This is especially true in times of uncertainty (e.g. unfamiliarity when faced with new product adoption) – when consumers have little points of reference, they base their decisions on the branding and reputation of firms. In these situations, family firm image can, thus, signal trustworthiness and quality.

As such, promoting a family firm image – one that implies familial involvement in the business – could be one way that family firms are able to differentiate themselves from the competition. Furthermore, this generally favourable perception towards family firms provides reputational advantages, by positively influencing customers' purchase intentions and inspiring greater customer loyalty (Kowalczyk & Pawlish, 2002; Orth & Green, 2009).

2.2 Resource-based View on Family Firm Image

One of the reasons family business has inspired its own field of research is that family firms possess unique resources and capabilities that distinguish them from others (Arregle, Hitt, Sirmon & Very, 2007; Sharma, 2004). These unique circumstances are commonly referred to as a firm's "familiness" (Chrisman, Chua & Steier, 2005; Habbershon, Williams & MacMillan, 2003; Irava & Moores, 2010). According to the resource-based theory of competitive advantage, familiness *may* become a source of competitive advantage, if they are properly managed to ensure that they remain valuable, rare, inimitable and non-substitutable (Barney, 1991).

Previous research on family business has built upon this resource-based view and shown that the interconnectedness of family and business create idiosyncratic capabilities that, indeed, provide competitive advantage in several ways. For instance, the intricacy of ownership and management reduces agency costs and hastens decision-making processes (Chrisman, Chua & Litz, 2004), their focus on securing the future for successive generations fosters adoption of long-term sustainability orientation and vision (Sharma, 2004), and, as discussed, their familial identity and image contribute to a positive corporate reputation in the eyes of consumers.

Furthermore, research in the field of marketing and corporate communications similarly support the notion that a favourable corporate image is a valuable asset, as it works to increase customer satisfaction and loyalty, and even acts as a buffer against competition (Andreassen & Lindestad, 1998).

Since having a family firm image can provide reputational advantages, and this image cannot be imitated by other non-family firms, it is argued that this unique image may be a source of competitive advantage for family firms.

Accordingly, drawing from organizational identity and image theories and the resource-based view, the first hypothesis is deduced as follows:

Hypothesis 1. Having a family firm image is positively related to firm performance.

2.3 Family Firm Image Components

For a long time, scholars have differed on their views on how to define and measure organizational image, as it is a multi-faceted construct that can mean different things to different people (Dobni & Zinkhan, 1990).

Within family business research, there is also no standardized measure for family firm image, although it is found that family firms can allude to, or signal, their familiness in various ways, and to varying extents (Blombäck, 2009; Micelotta & Raynard, 2011).

Drawing from both marketing and family business research, the different components of family firm image are introduced and discussed.

2.3.1 Firm name

To an unknowing person, "corporations are nothing but a name" (Glynn & Abzug, 2002). Unlike with individuals, who may be recognized by many different characteristics, corporations are identified firstly, and sometimes even solely, by their name (Boddewyn, 1967). A firm's name, is, thus, an important symbol that represents the organization.

Furthermore, as corporate reputation has become increasingly important in a competitive marketplace, firm names have evolved from being merely trade names, to being corporate brands (Muzellec, 2006).

Pursuant to social identity theory, for family firms, having the founding family's name in the firm name can even contribute to strengthening members' sense of family firm identity, thus motivating them to act in ways in line with family firms (Deephouse & Jaskiewicz, 2013).

Similarly, for outsiders, recognizing a family name in the firm name signals that the firm is a family business. Accordingly, one might then come to expect higher quality of products and service, which are commonly expected of family firms (Olivares-Delgado, Pinillos-Laffón & Benlloch-Osuna, 2016). This is regardless of whether the firm is actually a family firm or not. For instance, advertisers, well aware of the advantages of patronymic names, have also created and named brands that allude to a family essence, such as in the case of General Mills' Betty Crocker brand of food products.

Therefore, given the centrality of a firm's name in its identity and brand image, and the fact that a patronymic firm name alludes to family involvement, having the founder's name in the firm name is a central component of family firm image.

2.3.2 Self-description as a family business

Another way that family firms can promote their family essence is by presenting themselves as such in their self-description; that is, by referring to themselves explicitly as a "family business" or "family firm". This specific reference to their family origins is in contrast to references that can be made about their geographical origin, company values, primary activity, etc. (Blombäck, 2009). For instance, in the opening vignette, Dawn Food Products explicitly presents itself as a “family business” operating in the food industry whereas Sligro Food Group’s self-description emphasizes its primary area of activity (food & beverage market).

For family firms, this can be an important decision, as it is also a reflection and communication of the firm’s values (Blombäck, 2009). By referring to itself as a “family business”, the firm implies that family values are central to its identity (as opposed to innovation or professionalism, for instance) and associates itself with both the positive and negative connotations of being a family firm.

It is important to acknowledge that not all family firms want to position themselves as such, and there are, in fact, many who prefer to downplay their family identities (Botero et al., 2013). This could be indicative of the priority placed on developing a more professional image, since family firms are sometimes viewed as being non-professional (Stewart & Hitt, 2012), or even due to privacy concerns (Flören, 2002).

Therefore, self-description as a family business is an important second component of having a family firm image.

2.3.3 Implicit Communication of Family Firm Image Through Company History

Aside from using the family name in the firm name, and/or presenting themselves as a family business, firms can also build their family firm image in subtler, more implicit ways too. This includes, for instance, making statements and explanations about the family’s role within the organization on the company profile / history (Botero et al., 2013). This, however, is contingent upon the audience actively searching for this information, and making logical inferences that the firm is, in fact, a family business. Therefore, since it cannot be readily apparent to audiences that the organization is a family firm, such communication is a less salient dimension of a family firm image.

In summary, there are different dimensions, or components, that make up a family firm image. A strong presence of these components implies a more explicit communication of the firm's family identity. However, this identity can also be communicated more implicitly (or subtly), or not at all.

2.3.4 Typologies of Family Firm Image

Given that family firms operate in all industries, there are also variations in the way that they position their family firm image. Micelotta & Raynard (2011) identified three different family-based corporate branding and positioning strategies that family firms can adopt.

Succinctly, the three strategies are distinguished based on the role the family in the organization:

Family Preservation

Firms using a Family Preservation strategy emphasize the close and inextricable relationship between the family and the firm. The family is seen as carriers of the firm's traditions and heritage, enabling these traditions to be preserved and inherited by new generations of management (Micelotta & Raynard, 2011, p. 202).

Such a strategy, or image, from the perspective of the external audience, is consistent with the long-held misconception of family firms as traditional, small and geographically limited (Carrigan & Buckley, 2008).

Family Enhancement

With a Family Enhancement strategy, firms emphasize both the responsibility of the family in perpetuating company traditions, but also in contributing to, and enriching, them. Here, the firm focuses on both its “craftsmanship”, which has been carefully honed over the years, and its “innovation”, the result of forward thinking (Micelotta & Raynard, 2011, pp. 205 - 206).

This dual focus and combination of forward thinking and holding on to the past may present a paradox, and it is not clear how external audiences, namely consumers, reconcile the seemingly conflicting aspects of the firm (Cassia, De Massis & Pizzurno, 2011).

Family Subordination

In Family Subordination, the family’s involvement is downplayed, and firm’s identity is largely separated from the family’s. There is little mention of the family’s contribution to the firm, although family members may sometimes be introduced in their professional capacity (Micelotta & Raynard, 2011, p. 207).

In other words, the firm is distancing itself away from a family firm image. While most studies of family firm image suggest that this is generally disadvantageous (Botero et al., 2013; Micelotta & Raynard, 2011; Zellweger et al., 2012), this isn’t always the case. As observed by both Carrigan & Buckley (2008) and Micelotta & Raynard (2011), such a strategy is often observed with larger, more internationally-oriented firms. For these firms, an alternative interpretation could be that firms are be trying to distance themselves away from the perceived negative associations with being a family firm (i.e. stagnant, small).

The authors Micelotta & Raynard (2011) also found that firms chose these strategies based largely on their size (small firms were more likely to leverage on their family firm identity). Furthermore, because these firms operate in such diverse industries, there is no one best strategy for firms to take, since each has its own set of advantages and disadvantages.

2.4 Effects of Market Focus

For a long time, academic research on brand marketing and corporate communications has focused on the business-to-consumer (B2C) context, believing it to be more important than in the business-to-business (B2B) context (Leek & Christodoulides, 2011; Lynch & de Chernatony, 2004). This is largely based on the idea that concepts like brand loyalty are an emotional or "non-rational behaviour […] that does not apply in the rational world of B2B products" (Kotler & Pfoertsch, 2007, p. 357).

The long-standing view is that organizational buyers make purchasing decisions objectively, based on measurable, quantitative metrics like price and functionality. On the other hand, consumers are more prone to act on emotional factors such as the reputation of, or trust in, a firm (Kotler & Pfoertsch, 2007). As such, factors such as corporate image and reputation are more important for B2C firms, whereas B2B firms are better off focusing on improving the functional value of their products.

Similarly, within family business research, studies of the impact of family business image have focused on the views and perceptions of consumers (see Carrigan & Buckley (2008) and Orth & Green (2009)), although many family firms also operate within the B2B arena. It has also been observed that B2C firms are more likely to publicize their family firm identity than B2B firms (Botero et al., 2013), thus purporting the idea that B2C firms see more value in their family firm image.

Therefore, given the different customer expectations and decision making rationale of a consumer versus an organizational buyer, it is hypothesized that having a family firm image is more important for B2C firms, than it is for B2B firms.

Hypothesis 2. The market focus of a firm moderates the relationship between having a family firm image and firm performance, such that having a family firm image is more beneficial for B2C firms than for B2B firms.

2.5 Effects of Generational Stage

One of the distinguishing features of family businesses is the transfer of ownership and control from one generation of the family to the next. This is a critical issue for family firms, as personal conflicts and agency issues (e.g. conflict of interest when one is both a parent and a manager to an employee) often inhibit successful transitions, to the point where only 30% succeed beyond the first generation, and even less (10%) make it beyond the second generation (Aronoff, 1999; Stalk & Foley, 2012). This phenomenon is so universal that proverbs like "clogs to clogs in three generation", referring to the short-lived nature of wealth, even has variations in different cultures (Grote, 2003).

Therefore, being able to overcome a generation succession is an indication that the family members in the firm are able to co-operate in the interest of the business.

Secondly, for many consumers, the idea of a family business is also one where different generations of family are present and interact with each other in the business context (Carrigan & Buckley, 2008; Miller, Le Breton - Miller & Scholnick, 2008). Since first-generation firms (also known as founder firms) are often started and dominated by sole entrepreneurs with specialized technical or business expertise expertise (McConaughy &

Phillips, 1999), they may lack some of the dynamic interaction amongst family members that contribute to the “family essence” of the firm.

Furthermore, a presence of multiple family members from different generations also contributes to the business’s unique brand heritage and image, helping to differentiate it from other firms (Blombäck & Brunninge, 2013).

Therefore, it is hypothesized that, for later-generation firms, having a family firm image is even more beneficial, since it signals good working relationship amongst family members, it fits better with consumers’ perceptions of what a family firm is, and it contributes to the firm’s brand heritage and image.

Hypothesis 3. The generational stage of a firm moderates the relationship between having a family firm image and firm performance, such that having a family firm image is more beneficial for later-generation firms than first-generation firms.

3. METHODOLOGY

This section details the methodology to be used in conducting the research, and the rationale behind it. As implied by the research question, this study examines the relationship between corporate image and firm performance. As derived from the literature review, market focus (B2B vs B2C) and generational stage are used as moderators in this study. The unit of analysis is the firm, and a cross-sectional study using secondary data sources will be done.

3.1 Scope & Sample

This research studies the effect of family firm image within small- and medium-sized enterprises (SMEs). To control for other extenuating circumstances (e.g. general economy or business environment) that may affect firm performance, this study considers only Dutch firms registered in the province of Limburg.

Although the Limburg economy is relatively small, its advantageous position alongside international borders with Belgium and Germany means that companies are also the most international-oriented of all Dutch provinces (Statistics Netherlands, 2015). This improves generalizability of research findings.

Data provided by the Department of Organisation & Strategy at the Maastricht University School of Business & Economics yielded an initial sample size of 422 family firms. Of these, 82 firms were dropped from the study on account of their lack of a corporate website, and a further 19 were eliminated during the data collection process because their websites were found to be outdated or lacked sufficient information. Thus, the final sample size stands at 321 family firms.

In addition to the family having ownership control (of at least 50% of company shares), all of these firms self-identified as being a family firm, which is the definition of family business that this study takes (Huybrechts, Voordeckers & Lybaert, 2013).

Overall, the sample consists of a good mix of firms of different sizes, age and development phase, and they represent a diversity of industries. A descriptive overview of the sample characteristics is provided in Table 1.

Table 1. Sample characteristics (N = 321).

Variables	Mean or %	SD
Firm Characteristics		
Age	42.95	30.18
Size (total assets, € million)	3.02	10.02
Development phase		
Start / Growth	11%	
Mature	63%	
Decline	26%	
Industry		
Primary	6%	
Construction	12%	
Manufacturing & logistics	22%	
Wholesale & retail	28%	
Service	32%	
Market Focus		
B2C	33%	
B2B	67%	

3.2 Data – Measures & Sources

3.2.1 Dependent Variable – Firm Performance

As the firms in the sample are all privately held, there exists virtually no publicly available information regarding their financial performance. For firm performance, this study uses data from a survey previously conducted by the Department of Organisation & Strategy at the Maastricht University School of Business & Economics.

Like numerous prior studies on family firms, self-reported measures of firm performance are used (Memili et al., 2010). As suggested by Capon, Farley & Hoenig (1990, p. 1156), a formative (summative) measure including profitability and sales growth is used[1]. This accounts for the multidimensionality of a firm's financial performance. While profitability is a common measure of financial performance for all firms, using sales growth as a measure is particularly useful when it comes to family firms, or firms who face an agency dilemma. In such cases, growth measures are less likely to be underreported (Schulze, Lubatkin, Dino & Buchholtz, 2001).

Both profitability and sales growth are measured on a 6-point nominal scale ranging from ≤20%, -20% to -5%, -5% to 0%, 0% to 5%, 5% to 20% and ≥20%. Results from the two scales were then added up, creating an 11-category ordinal scale for firms' financial performance with results ranging from 2 to 12.

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[1] Preliminary analyses were also run using a uni-dimensional measure of firm performance (i.e. only profitability measure, and only sales growth measure). The results of these analyses do not differ significantly from the regression performed on the formative measure, and the results hereafter reflect the formative measure of firm performance.

3.2.2 Independent Variable – Family Firm Image

In order to measure family firm image, the company websites of each firm in the sample were individually studied. Although some previous research have used self-reported measures to study family firm image (e.g. Memili et al. (2010) and Zellweger et al. (2012)), the observational approach is advantageous as it captures actual communication, and not self-perceived communication, of firms (Botero et al., 2013).

Two dimensions of family firm image – strength and typology – are studied. In order to determine these, the websites of all firms in the sample were individually studied and coded. Particular attention was paid to the home page and company profile (e.g. About Us) page, as these often provided the most company-related information.

Firstly, family firm image strength considers how prominently, or explicitly, the firm communicates its familial identity. Similar to the distinction Botero et al. (2013) identified between explicit and implicit family firm identity communications strategies, an attempt is made to scale this construct here. Based on Section 2.3, the composition of family firm image strength includes looking at the firm name, the self-description of the firm, and mentions of the family in the company profile or history (on the website). Appendix A provides a more detailed explanation of how family firm image strength is measured.

Secondly, family firm image is also classified according to the three typologies – family preservation, family enrichment and family subordination. The classification approximately follows the definitions and analytical steps set by Micelotta & Raynard (2011), and is also further explained in Appendix B.

3.2.3 Moderators

Market Focus

The market focus of firms is determined by analysis of their NACE code classifications. However, special attention was paid to firms operating in the primary, service and retail industries, since many of these firms also serve the consumer markets directly. Firm websites were individually checked to confirm if firms are targeting business or consumer customers.

Generation

To determine which generation is in control of the firm, self-reported (survey) data on "which generation holds the majority of stock" is used. The responses were cross-checked against the age of the firm to eliminate erroneous responses. Answers varied from 1 (for first generation) to 4 (4th generation and beyond). These were then recoded into two categories – one for first generation firms, the second for firms in their second-or-later generations.

3.2.4 Control Variables

Several control variables are included in the analysis to control for their effects on firm performance, and to increase the R-squared of the model. Table 2 provides a summary of these variables, an explanation of how they are measured, and the source of data used.

Table 2. Control variables – measures & sources.

Control Variables	Measure	Source
Firm age	Age, in years	Self-report
Firm size	Total assets, in € million	Orbis database
Development phase	Growth, mature, decline	Self-assessment
Spending on research & development	R&D spending as % of annual turnover	Self-report
Industry	Primary sector, construction, manufacturing & logistics, construction, wholesale & retail, and service	NACE codes from Orbis database

3.3 Model Assumptions & Analytic Strategy

Since the dependent variable (firm performance) is discrete, ordinal regression is used to model the family firm image-firm performance relationship[2].

Several models of this study were tested. In particular, different measures of family firm image were used. For the first set of models, family firm image was measured qualitatively, according to three typologies; for the other set of models, family firm image was measured quantitatively, via its strength.

Model 1a, the base model, includes only family firm image strategy (preservation, enrichment or subordination) as a causal variable for firm performance. In Model 1b, industry, firm size, age, development phase and R&D spending are introduced as control variables. In Model 1c, all control variables are kept, and market focus is added to test for its interaction

[2] As a robustness check, linear regression was also run. The results are similar to the ordinal regression results present here. However, since ordinal data violate two key assumptions of linear regression modelling – linear relationship and homoscedasticity, ordinal regression is ultimately used as the main data analysis method in this paper..

effects with family firm image strategy. In Model 1d, market focus is substituted with the generation in control, to account for its interaction with family firm image.

Since all causal variables (independent and moderating) in Model 1c are categorical, it represents a 3x2 factorial design (Baron & Kenny, 1986; Hayes, 2009). As it is hypothesized that having a family firm image improves firm performance, and that this relationship is stronger in B2C firms, the variable B2B*Subordination (X_3 M_2) is used as the base category:

	Family Preservation (X_1)	**Family Enrichment (X_2)**	**Family Subordination (X_3)**
B2C (M_1)	X_1 M_1	X_2 M_1	X_3 M_1
B2B (M_2)	X_1 M_2	X_2 M_2	X_3 M_2 (Base category)

Similarly, Model 1d also represents a 3x2 factorial design for the regression. Since it is hypothesized that having a family firm image improves firm performance, and that this relationship is stronger for firms that have successfully managed a succession transition, the variable 1st Generation*Subordination (X_3 M_1) is used as the base category:

	Family Preservation (X_1)	**Family Enrichment (X_2)**	**Family Subordination (X_3)**
1st Generation	X_1 M_1	X_2 M_1	X_3 M_1 (Base category)
2nd or Later	X_1 M_2	X_2 M_2	X_3 M_2

Since interaction between variables can be specified while performing the ordinal regression in SPSS, it was not necessary to manually create dummy variables for each of the above interaction variables.

In Model 2a, firm performance was regressed on the independent variable family firm image strength. In Model 2b, industry, firm size, age, development phase and R&D spending are introduced as control variables. In Model 2c, all control variables are kept, and market focus is added as a moderator. In Model 2d, market focus is substituted with the generation in control, to account for its interaction with family firm image.

3.4 Model Assumptions Testing

Proportional Odds

Since, ordinal data can only assume a discrete number of values, checking for normality and homoscedasticity, which are necessary for linear regression models, are disregarded (McCullagh, 1980). Instead, the ordinal regression analysis assumes proportional odds, meaning that slope coefficients (of independent variables) are the same across all levels of the outcome or dependent variable (Bender & Benner, 2000). This is also known as the test of parallel lines, and is performed as part of the ordinal regression analysis in SPSS.

As reported in Tables 6 and 7 (which present the main regression results), the proportional odds assumption only holds for the two base models (1a and 2a). It has to be noted, however, that the test for proportional odds has been described as "nearly always resulting in rejection", particularly when the sample size is large, there is a presence of a continuous independent variable or when there are many independent variables (Strand, Cadwallader & Firth, 2011).

On further recommendation by Strand, Cadwallader & Firth (2011), the test for proportional odds was further completed for each independent variable individually. Indeed, when tested individually, the proportional odds assumption is held for all variables.

Multicollinearity

A multicollinearity test was also performed to ensure that there is no correlation amongst independent variables. In this test, the only variables that exhibited relatively high VIF scores are Subordination Strategy and Family Firm Image Strength, with the values of 4.34 and 3.71 respectively. This is expected since a Subordination Strategy implies a weak or no family firm image. However, this is not an issue as the two variables are never used in the same model when performing the regression.

4. RESULTS

4.1 Descriptive statistics & correlations

The basic descriptive statistics are presented in Table 3 (mean, standard deviation and correlations), Table 4 (inter-industry differences in family firm image communications) and Table 5 (family firm image communications differences for B2B vs B2C firms).

Table 3. Descriptive Statistics & Correlations.

Variables	Mean	SD	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
1. Primary industry	.06	.23																		
2. Construction	.12	.33	-.09																	
3. Mfg & logistics	.22	.42	-.13*	-.20***																
4. Wholesale & retail	.28	.45	-.15**	-.23***	-.33***															
5. Service	.32	.47	-.17**	-.26***	-.37***	-.43***														
6. Market focus - B2C	.33	.47	.06	-.26***	-.24***	.16**	.21***													
7. Market focus - B2B	.67	.47	-.06	.26***	.24***	-.16**	.21***	-1***												
8. Age	42.95	30.18	.00	-.02	.126*	.03	-.12*	.03	-.03											
9. Devt phase - decline	.11	.32	-.09	.11*	-.05	.05	-.04	.07	-.07	-.07										
10. Devt phase - growth	.63	.48	.10†	-.05	.04	.06	-.11*	.07	-.07	.16**	-.46***									
11. Devt phase - mature	.26	.44	-.05	-.03	-.01	-.10†	.15**	-.13*	.13*	-.22***	-.22***	-.77***								
12. Total assets (€ million)	3.02	10.02	-.01	-.08	-.07	-.05	.18**	-.08	.08	.04	-.06	.07	-.03							
13. R&D spending	2.10	.81	-.07	-.13**	.00	.02	.10†	-.10†	.10†	-.10†	-.03	-.03	.05	.01						
14 Generational stage	.50	.50	.07	-.05	.14*	.08	-.19***	.09	-.09	.62***	-.02	.26***	-.27***	-.06	-.07					
15. Family preservation	.47	.50	.20***	.01	.02	-.01	-.12*	.00	.00	.19***	-.04	.21***	-.21***	-.04	.01	.20***				
16. Family enrichment	.20	.40	-.09	.08	.07	-.05	-.03	-.05	.05	.07	.05	-.00	-.03	-.08	-.11*	.11†	-.47***			
17. Family subordination	.33	.47	-.14*	-.08	-0.09	.05	.15**	.03	-.03	-.27***	.00	-.22***	.25***	.10†	.09	-.31***	-.66***	-.35***		
18. Family firm image strength	.38	.32	.12*	.06	.09	.01	-.18***	-.04	.04	.29***	.00	.21***	-.23***	-.07	-.03	.31***	.74***	.02	-.81***	
19. Firm Performance	7.68	2.46	-.05	-.13*	-.05	.04	.12*	.01	-.01	-.06	-.28***	-.02	.23***	.13*	.16**	-.02	-.04	-.10†	.13*	-.09

N = 321
† p<.10
* p <.05
** p<.01
*** p<.001

Table 4. Industry differences in family firm image communications.

Industry	Preservation	Enrichment	Subordination	Family Firm Image Strength
Primary	89%	6%	6%	0.54*
Construction	49%	28%	23%	0.43
Manufacturing & logistics	49%	25%	25%	0.44
Wholesale & retail	46%	17%	37%	0.39
Service	38%	18%	43%	0.30*
Overall	47%	20%	33%	0.38

*An ANOVA analysis finds statistically significant differences in the strength of family firm image communications of service firms and of primary and manufacturing & logistics firms.

Table 5. Differences in family firm image communications according to market focus.

Market Focus	Preservation	Enrichment	Subordination	Family Firm Image Strength
B2C	47%	17%	35%	0.37
B2B	47%	21%	33%	0.40
Overall	47%	20%	33%	0.38

From the descriptive statistics, it is observed that within this sample of family firms, roughly one-third do not promote their family identity to the public. This proportion is consistent with findings from the studies of Binz Astrachan & Astrachan (2015), and Botero & colleagues (2013). Even though all the companies in the sample self-identify as family businesses, their family identity is effectively concealed from the public, and the role of the family in the business organization is “subordinated”.

47% opt for a “family preservation” strategy, placing high emphasis on the role that the family plays within the organization, and positioning the family as central to the firm’s identity.

Finally, 20% of firms adopted an “enrichment” strategy while communicating their family firm identity. Here, firms firstly emphasized on the innovativeness and/or quality of their product and service offerings, while also acknowledging the role of the family in the business.

Studying Tables 3 and 4 in conjunction, it is observed that firms in the primary sector (i.e. agriculture, horticulture and forestry) are overwhelmingly likely to be using a preservation strategy. In contrast, firms in the service industry are most likely to not project a family firm image (subordination) and/or to have a weaker family firm image. With regards to market focus (Table 5), there appears to be little to no difference in whether, and how, B2C and B2B firms communicate their family firm identity.

On the contrary, it appears that the generational stage of a firm influences the communication strategy. Firms that are in their second generation or later have a slight preference for family preservation strategy (.20) and are also project their family firm image more strongly (.31).

Further observation of the correlations matrix (Table 3) also reveals that older firms are more likely (.19) to use a family preservation strategy, as are growing firms (.21). Other correlation statistics to note is that of firm performance with family enrichment strategy (-.10) and with family subordination strategy (.13). Already, these correlations contradict Hypothesis 1, where having a family firm image is positively related to firm performance.

4.2 Ordinal regression results

The results of the ordinal regression models are presented in Tables 6 (for Model 1) and 7 (for Model 2).

In ordinal regression, coefficients of variables represent log odds, or the logarithmic function of the odds (probability) ratio of each variable. Because logistic (ordinal) regression results are interpreted differently from standard linear or multiple regression results, further explanation is provided in Appendix C on how to interpret the coefficients.

Table 6. Ordinal regression results with dependent variable – firm performance. (n = 258)

Variables	Model 1a	Model 1b	Model 1c	Model 1d
Control				
Primary sector		-.68	-.85†	-.72
Construction		-.39	-.37	-.40
Manufacturing & logistics		-.41	-.43	-.44
Wholesale & retail		.06	-.01	.02
Service		0[a]	0[a]	0[a]
Age		.00	.00	.00
Development phase - decline		-1.92***	-1.97***	-1.83***
Development phase - growth		-.66*	-.69*	-.64*
Development phase - mature		0[a]	0[a]	0[a]
Firm size		.02†	.02	.02
R&D spending		.36*	.34*	.37**
Independent				
Family Firm Image Strength				
Preservation Strategy	-.46*	-.26	-.58†	.28
Enrichment Strategy	-.70*	-.42	-.61	.04
Subordination Strategy	0[a]	0[a]	0[a]	0[a]
Moderators				
B2C			-.47	
B2C*Preservation			1.03	
B2C*Enrichment			.55	
B2C*Subordination			0[a]	
Generation				-.45
Generation*Preservation				.96†
Generation*Enrichment				.73
Generation*Subordination				0[a]
Chi-square statistic	6.60*	48.03***	51.83***	51.28***
df	2	11	14	14
Nagelkerke's Pseudo-R2	.02	.17	.18	.18
Proportional Odds Assumption	√ .08	X .00	X	X.00

† p<.10
* p <.05
** p<.01
***p<.001

a. Suppressed comparison category

Table 7. Ordinal regression results with dependent variable – firm performance. (n = 258)

Variables	Model 2a	Model 2b	Model 2c	Model 2d
Control				
Primary sector		-.69	-.76	-.69
Construction		-.44	-.36	-.40
Manufacturing & logistics		-.43	-.37	-.41
Wholesale & retail		.08	.07	.04
Service		0[a]	0[a]	0[a]
Age		.00	.00	.00
Development phase - decline		-1.93***	-2.00***	-1.90***
Development phase - growth		-.67*	-.70**	-.68*
Development phase - mature		0[a]	0[a]	0[a]
Firm size		.02†	.02†	.02
R&D spending		.37**	.37**	.37**
Independent				
Family Firm Image Strength	-.54†	-.28	-.39	.38
Moderators				
B2C			-.00	
B2C*FFI(Strength)			.50	
Generation				-.39
Generation*FFI(Strength)				1.43†
Chi-square statistic	2.75†	46.87***	47.65***	50.64***
df	1	10	12	12
Nagelkerke's Pseudo-R2	.01	.17	.17	.18
Proportional Odds Assumption	√ .08	X .00	X	X.00

† p<.10
* p <.05
** p<.01
***p<.001

a. Suppressed comparison category

Note that the coefficients in Tables 6 and 7 are log odds that represent the *probability* of an observation moving into a higher ordinal ranking of Y for each unit increase in the independent variable[3]. For categorical variables, the log odds are relative to the odds for the base comparison category (e.g. Subordination Strategy in Model 1a).

All regression models exhibit statistical significance.

[3] Negative log odds indicate that probability is lower than 0.5, whereas positive log odds indicate that probability is larger than 0.5.

4.2.1 Main relationships

In Model 1a, the family firm image communication strategy is found to be significantly related to firm performance. The negative coefficients on preservation and enrichment strategies indicate that a subordination strategy is better for firm performance. This is opposite from Hypothesis 1. However, it has to be noted that this model explains very little (2%) of the variance in firm performance, as seen from Nagelkerke's Pseudo-R^2.

When control variables are introduced (Model 1b), the R^2 improves. However, the coefficients on the independent variable(s) remain negative, and also lose significance.

When family firm image is measured in terms of its strength (Models 2a and 2b), the findings are similar – the strength of family firm image appears to be *negatively* related to firm performance. The independent variable is significant in the base model (2a), but that is lost when other control variables are included.

Overall, no support for Hypothesis 1 – that family firm image is positively related to firm performance – is found. On the contrary, the results rather suggest an opposite relationship, with family firm image being negatively related to firm performance, although this is not statistically significant.

4.2.2 Moderation results

Market Focus

The results of the moderation effect of market focus can be observed in Models 1c and 2c. Although they are not statistically significant, the results indicate that for firms who pursued a family subordination communication strategy, B2C firms performed slightly worse than

B2B firms; however, family preservation and enrichment strategies both have a positive effect on firm performance for B2C firms.

Figure 1 presents a graphical representation of the moderation effects of market focus on the family firm image-firm performance relationship[4].

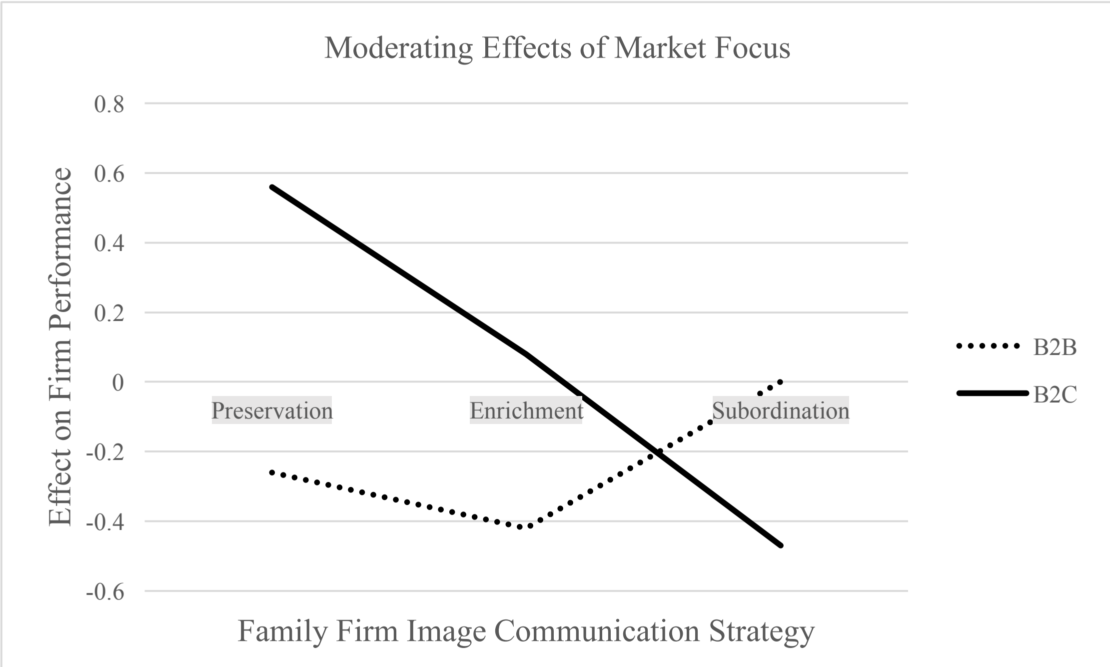

Figure 1. Moderating Effects of Market Focus on the Family Firm Image-Firm Performance Relationship.

Observing Figure 1, it is clear that market focus has a noticeable impact on the relationship between family firm image and firm performance.

[4] This is plotted using co-efficient changes from Table 6, where B2B*Subordination is the base category assigned with a value of 0. As mentioned, although the co-efficients provided in an ordinal regression output do not indicate the direct relationship between the independent and causal variables, log odds co-efficients do give directional and scale indications of the relationship between variables.

The same conclusion can also be drawn when family firm image is measured in terms of its strength. From Table 7 – Model 2c, it is observed that the positive moderating effect of a B2C market focus (.50) counters the negative effect of family firm image strength (-.39).

These moderation results suggest that the family firm image-firm performance relationship might be opposite for B2C versus B2B firms. To further analyze the differences caused by market focus, supplementary regression analyses were run for B2C and B2B firms separately. The results of these regressions are presented in Table 8.

Table 8. Ordinal regression results with dependent variable – firm performance: B2C vs B2B

	B2C Firms (n = 75)		**B2B Firms (n = 183)**	
	Model 3a	Model 3b	Model 4a	Model 4b
Control variables				
Primary sector	-.84	-.67	-.91	-.98
Construction	n.a.	n.a.	-.03	-.01
Manufacturing & logistics	-.77	-.57	-.11	-.10
Wholesale & retail	-1.2*	-1.15*	-.74†	.77*
Service	0[a]	0[a]	0[a]	0[a]
Age	.00	.00	.00	.00
Development phase - decline	-1.20	-1.13	-2.14***	-2.18***
Development phase - growth	.00	.07	-.76*	-.80*
Development phase - mature	0[a]	0[a]	0[a]	0[a]
Firm size	.03	.03	.02†	.02†
R&D spending	-.04	-.04	.48***	.50***
Independent variables				
Family Firm Image Strength		.44		-.34
Preservation Strategy	.51		-.51	
Enrichment Strategy	-.11		-.56	
Subordination Strategy	0[a]		0[a]	
Chi-square statistic	11.76	10.81	51.32***	49.25***
df	10	9	11	10
Nagelkerke's Pseudo-R2	.15	.14	.25	.24

† p<.10
* p <.05
** p<.01
***p<.001

a. Suppressed comparison category

It has to be noted that the models relating to B2C firms (Models 3a and 3b) are not significant. This is likely due to the small sample size of 75, after excluding 30 sample items for missing data. Like in the original regression models, the independent variables here also do not take on any statistical significance.

Regardless of the statistical weakness, comparing the results from the two sub-samples yields new insights. For B2B firms, the findings from the original ordinal regression models hold – having a family firm image is negatively related to firm performance. On the contrary, for B2C firms, having a family firm image appears to be positively related to firm performance, especially when a preservation strategy is used.

This results here are in line with Hypothesis 2 – that having a family firm image is more beneficial for B2C firms than for B2B firms. However, since the findings lack statistical significance, there is no support for Hypothesis 2.

Generational Stage

The results (of Model 1d and 2d) indicate that having experienced at least one generation succession has a positive effect on the relationship between having a family firm image and firm performance.

Interestingly, with the introduction of generational stage as a moderator variable, the relationship between family firm image and firm performance becomes positive. However, this is not significant.

For Model 1d, although a generation succession is associated with worse firm performance, having a family firm image counters this negative effect. This is significant ($p < .10$)

especially for firms using a family preservation strategy. There is also positive moderation for firms using a family enrichment communication strategy – however, the results for this categorical variable is not significant.

Model 2d also provides similar findings. When family firm image strength interacts with the generation variable, the effect is positive (p = .06).

Figure 2 provides a visual graph on how generation succession affects the direct relationship between family firm image and performance[5].

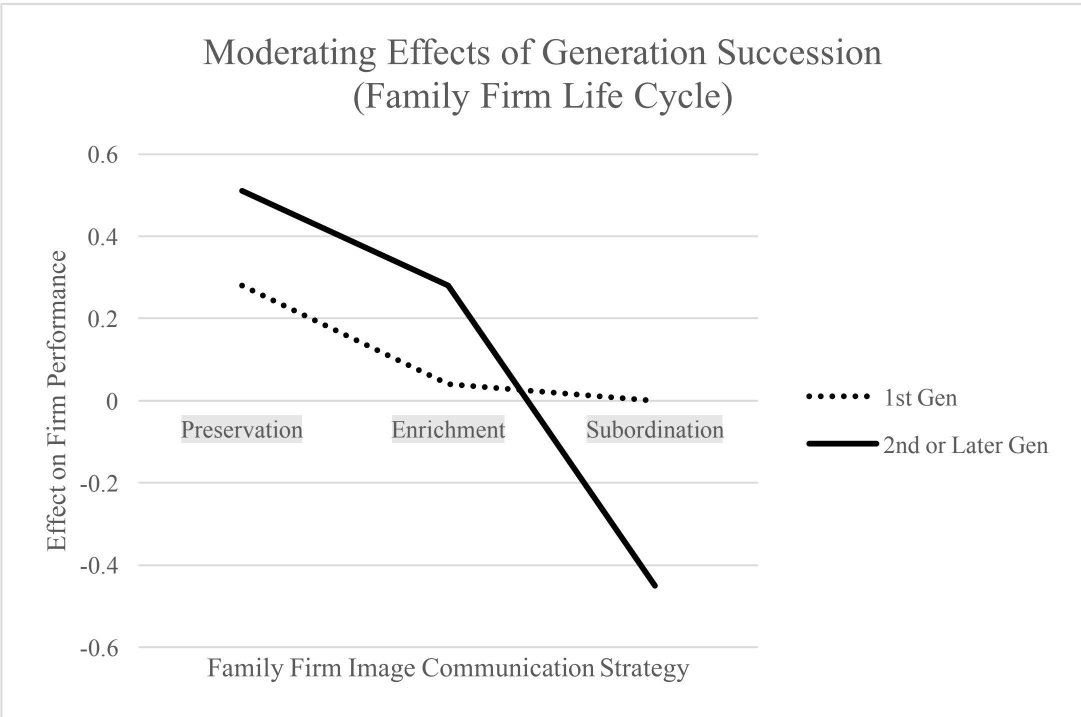

Figure 2. Moderating Effects of Generation Succession on the Family Firm Image-Firm Performance Relationship.

[5] This is plotted using co-efficient changes from Table 6, where 1st Generation*Subordination is the base category assigned with a value of 0.

From Figure 2, it is observed that for second-or-later generation family firms, the difference in firm performance from using preservation or enrichment strategy, as opposed to using subordination strategy, is much larger. This suggests that that for these firms, portraying their family firm image using a preservation or enrichment strategy is beneficial.

For first generation firms, using a preservation or enrichment strategy is associated with slightly higher firm performance, although not to the same extent as in second-or-later generation firms.

5. DISCUSSION

This paper contributes to the growing body of research on family firm image. Although many articles on the topic have been written, most studies have focused on theory building (Sageder, Mitter & Feldbauer - Durstmüller, 2016). By using an empirical approach, this study attempts to provide evidence to support existing theory that a family firm image could be a source of competitive advantage.

Drawing from organizational identity theory and from the marketing and corporate image perspective, virtually all research suggests, or proves empirically, that this relationship is positive (Botero & Blombäck, 2010; Memili et al., 2010; Micelotta & Raynard, 2011; Zellweger et al., 2012).

However, despite the strong arguments lending support to this hypothesis, this study does not find enough empirical support for this. Rather, it seems that the choice to display a family firm image does not seem to be a clear-cut decision. It may depend on several factors like the market focus of the firm, and also the generational stage the firm is in. Even though the results are not found to be statistically significant, some interesting insights did emerge from the process.

Complexity in Studying Family Firm Image

One probable reason for the disruptive findings is the complexity in defining family firm image. Being a relatively new area of study for family business research scholars, much of this research is exploratory, and there is no clear consensus on how best family firm image should be defined or observed. On one hand, taking a macro perspective, scholars like Botero & Blombäck (2010) consider family firm image as a brand, since it implies a set of associations and expectations that external stakeholders attribute to *all* family businesses. While most researchers agree with this definition, others like Micelotta & Raynard (2011) call for a more nuanced approach to studying family firm image, since there are several ways that firms can choose to position their family identity.

Similarly, there is no established method of measuring family firm image. Memili et al. (2010), and Zellweger et al. (2012) used self-reported measures of family firm image, by having respondents assess their firm's efforts to build such an image[6]. This study, on the other hand, follows methods introduced by Micelotta & Raynard (2011), and Botero et al. (2013), and measures family firm image by objectively observing the communicated image through firms' websites. These two different measurements can have severe implications on theory, as can be seen when comparing this study with the 2012 paper of Zellweger and colleagues. Although both studies measure the relationship between having a family firm image and firm performance, the different approaches to measuring family firm image produce very different findings.

A second possible explanation is the multi-dimensionality of performance in family firms. Compared to other types of firms, family firms are much more concerned with continuity of the business, and with retention of ownership within the family (Berrone et al., 2012; Le Breton - Miller & Miller, 2013). This desire to perpetuate the business fosters a long-term orientation, which further leads to idiosyncratic socio-emotional wealth priorities that are not sufficiently captured by financial measures alone.

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[6] Survey respondents are asked about the extent to which their organizations attempt to create a family firm image through scale items like ''The family firm name is recognized in the community''; ''The family name is used as brand''; and ''The fact that we are a family business is a great marketing tool.'

Thirdly, there could be latent attributes that are distorting the effects of family firm image. Many authors have suggested that a strong sense of family firm identity also drives firms to project a strong family firm image (Zellweger et al., 2012). Based on socio-emotional wealth theory on family firms, and as discussed in the previous paragraph, this also implies that those with strong family firm identity place higher emphasis on non-financial goals, thus explaining why having a family firm image does not lead to higher performance. Moreover, given that family firm identity and family firm image are inextricably linked, it is difficult to isolate the effects of image from identity.

Market Focus

The results of this study suggests that a family firm image seems to be a better strategy for B2C firms than for B2B firms. Interestingly, a closer study of this moderator provided new insights that possibly explain why Hypothesis 1 was rejected. The moderation results presented in Section 4.2.2 suggest that having a family firm image has positive effects only on B2C firms. For B2B firms, having a family firm image is associated with worse performance. Given that B2B firms made up 67% of the sample, it could be a possible explanation why the regression results for the overall sample veer towards the negative.

Indeed, a retrospective review on the existing literature lends support to this explanation. In most studies, no explicit distinction is made between B2B and B2C family firms. Most of the empirical studies that find a positive relationship between family firm image and firm performance are also undertaken with a B2C focus (see Binz, Hair, Pieper & Baldauf (2013), Carrigan & Buckley (2008), Orth & Green (2009), Beck & Kenning (2015), etc.).

Generational Stage

As hypothesized, the generational stage that a family firm is in also impacts the effect that its family firm image has on firm performance. As reasoned in the literature review, there are several possible reasons for this – it could be that the idea of a multi-generation family business is more in line with consumers' mental picture of a family firm (Carrigan & Buckley, 2008), or that having multiple family members (especially from different generations) on board the firm adds to the dynamism (or familiness) and brand heritage of the firm(Blombäck & Brunninge, 2013; Chua, Chrisman & Sharma, 1999). This is also in line with the findings of Le Breton ‐ Miller & Miller (2013), which propose that family firms evolve as they move through different generational stages.

Reflecting on the correlations matrix (Table 3) once more, the high statistical significance between the generational stage variable and the family firm image variables may be a hint that generational stage could even affect a firm's decision on whether or not to display its family firm image.

6. Managerial Implications

In spite of the advancements of family firms all over the world, to date, most consumers still have misconceptions about what a family firm looks like. The term “family business” still conjures up images of a small, locally-operated (geographically limited) business, run by family members who are thought to be more trustworthy, and better able to offer a personal touch to their services.

Despite a handful of negative associations, most family business researchers recommend that family firms should reveal their familial identity, since family firms are generally perceived positively by consumers. Thus, communication of one’s family firm identity may help with attracting and retaining customers.

However, taking into consideration the market focus of a firm, this study finds that, for B2B firms, having a family firm image seems to be negatively related to firm performance. However, the results are not statistically significant enough to conclude as such. Still, they introduce some ambiguity as to whether pursuing a family firm image strategy is, indeed, advantageous for B2B firms.

Having said that, this does not mean that B2B firms should disregard the value of a family firm image. B2B markets are becoming more competitive and commoditized (Michell, King & Reast, 2001), and corporate branding remains an important tool to help B2B firms differentiate themselves from competition (Leek & Christodoulides, 2011). Furthermore, the B2B market has been said to be undergoing a “consumerization” process, where the introduction of social networks and mobile technologies into the workplace is transforming (or “consumerizing”) the behavior of business buyers (Mitchell, Schlegelmilch & Mone, 2016).

Secondly, the study also finds that family firms in their second-or-later generations could benefit more from having a family firm image than first-generation firms. Given that only 30% of family firms survive into their second generation, these firms should be proud of the fact that they have managed to withstand the complications of a generation succession. To leverage on their unique history and identity, practical measures that these family firms can take include building a heritage which tells the "story" of how past generation(s) have contributed to the company as it is today, and the implications for the future (Blombäck & Brunninge, 2013). As suggested by Blombäck (2009), one of the reasons that consumers view family business so favourably is the personal connection they feel towards the *family* in the business. Intertwining the histories of the family and business may be one way of invoking positive feelings in consumers towards the firm.

Ultimately, whether or not to portray a family firm image is the choice of the firm itself. For firms who wish to publicize their family identity, and to leverage it to attract and retain customers, it is important to note that there are many different ways to do so. Describing oneself as a family business is one way to make sure this identity is readily known to all. However, firms can further strengthen their family-based brand by highlighting the unique family dynamics in the business and stressing how their family firm identity is different from another family firm's.

7. THEORETICAL IMPLICATIONS

Thus far, the majority of research on family businesses has focused on internal governance and management issues. Recently, however, increasing attention is being paid to the study and management of family business marketing and communications. Being a relatively new field of study, the existing theories and methodologies are largely still under development. As pointed out in the discussion section, there is no clear consensus on which approach is best when it comes to defining and measuring family firm image.

With most scholars proposing that portraying a family firm image would be beneficial, this study set out to find some empirical evidence. Contradictorily, the findings here suggest that not all firms will benefit from the public display of their family identity. Factors such as market focus and generational stage, amongst many other possible moderators, affect the relationship between family firm image and firm performance.

The stark contrast of results of this study against previous findings is especially useful as a reminder for future research that family firms are a heterogenous group of firms facing vastly differently operating conditions – in terms of its industry, market, generational stage, and of course, its controlling family. Especially because of the idiosyncracies created when family and business meet, it is important to remember that, just as in general management research, a one-size-fits-all approach will probably not bode well.

8. LIMITATIONS & FURTHER RESEARCH

One limitation of this study is that, since it is cross-sectional, causality cannot be proven. To overcome this hurdle, future studies could take a longitudinal approach by studying changes in firm performance in relation to changes in family firm image communication strategies. As an alternative to cross-sectional studies, experimentations might be considered. This is commonly used within the marketing field to examine the effects of corporate image on consumer reaction (see Gürhan-Canli & Batra (2004) for an example).

A second limitation is that the sample is constrained to SMEs in the Netherlands. While this is advantageous in controlling for extraneous circumstances such as economic conditions and customer values, a sample from different contexts might also yield different results.

Similarly, future research could study family firm image in specific market focus contexts. While the findings here suggest that family firm image is seemingly irrelevant for B2B firms, the relatively small sample size prohibits drawing a definite conclusion. As Lynch & de Chernatony (2004) describe of B2B marketing, more research is needed to study brand communications and perceptions in B2B markets. The same can be said for family firm image, as it relates to B2B customers.

Thirdly, as reported in the Discussion section, from the academic field, there needs to be a clearer consensus on defining family firm image, and more consistency in how it is measured. As said by family business research scholar Shaker A. Zahra (2016), "theoretically grounded research is important for the continued development and growth of the family business field." Although interest in the study of family business image is increasing, more groundwork and sound theory is needed for this particular research field to advance.

9. CONCLUSION

This thesis set out to look at whether having a family firm image could be a source of competitive advantage. Building on various fields of family business and marketing (in particular brand management) research, the results of this study runs controversial to family firm image theories. However, two implications emerge – firstly, that the different theories on family firm image need to converge to a general agreement, and, secondly, that a differentiation between market focus (B2B vs B2C) needs to be made.

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APPENDIX A

Family Firm Image Strength Measurement Methods

Three sub-items were studied to determine the strength of family firm image communication:

i. If the family name was included in the firm name (F1)

ii. If it was explicitly mentioned in the company's self-description that they were a family firm (F2)

iii. If there was any mention of the role of the family in the company profile or history (e.g. ownership / management function of family members throughout the generations (F3)

Each sub-item was coded with a dummy variable. The strength of each observation's family firm image is measured by adding these three codes up. Since the first two items represent an explicit and more obvious communication of family firm image, they are weighted higher than the third item:

$$\textit{Strength of Family Firm Image} = .4 * F1 + .4 * F2 + .2 * F3$$

APPENDIX B

Family Firm Image Positioning Strategy Measurement Methods

The criteria for each strategy are largely based on the denotative meaning explained in the Micelota & Raynard (2011) article, but are tweaked slightly:

Strategy	Criteria	Conditions
Family Preservation	Family identity is immediately noticeable, AND	$F1 + F2 \geq 1$
	Different generations of the family are mentioned in the company profile (About Us) or history section	$F3 = 1$
Family Enrichment	Some effort to explain role of family in firm, AND	$F1 + F2 + 3 \geq 1$
	Communication that the firm puts considerable effort into product development (either through improving quality, or through innovation)	Websites are checked individually and separately dummy-coded
Family Subordination	There is no mention of the family on the website	$F1 + F2 + 3 < 1$

Note: The original classification methods used by Micelotta & Raynard can be found on pages 203, 205 and 208 of their article in the *Family Business Review, 24 (3).*

APPENDIX C

Reading Logistic Regression Tables

Summarized from Strand, Cadwallader & Firth (2011)

It is important to understand that the results of logistic models (i.e. with dichotomous or interval dependent variables) are interpreted differently from a standard linear regression. In linear regressions, the coefficient of a predictor variable represents the difference in the predicted value of Y (dependent variable) for each unit increase in X (predictor). In logistic models, however, coefficients represent the probability of moving into a higher ordinal ranking of Y for each unit increase in X. Specifically, the co-efficients presented represents the natural logarithmic function of the odds ratio for each variable.

For a more detailed explanation, consider the log odds and odds ratio coefficients for development phase - decline in Models 1b (reproduced partly below). Logically, firms in decline will report lower firm performance than mature firms. This can be inferred from the odds ratio of 0.15 – if there is a unit change in X from 0 to 1 (e.g. from mature, the base category, to decline), the odds ratio of increasing firm performance (Y) by one unit is only 0.15. In other words, *a firm in decline is 0.15 times as likely to achieve higher performance than a mature firm.* For this same variable, the corresponding log odds co-efficient is simply calculated by transforming the odds ratio into its natural logarithmic form [ln (0.15) = -1.92]. The log odds format is advantageous as it centers around 0, and it eliminates the floor of 0 and ceiling of 1 that is inherent in probabilities.

Model 1b	**Co-efficients (Log Odds)**	**Co-efficients (Odds Ratio)**
Development phase - decline	-1.92***	.15
Development phase - growth	-.66*	.52
Development phase - mature	0^{a}	-