Institute for
Family Business

Family Business Branding

Leveraging stakeholder trust

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An IFB Research
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Foreword

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This report, commissioned by the IFB Research Foundation, sets out the findings from a research project investigating the causes, benefits and challenges associated with openly promoting – or concealing – a firm's status as a family business.

Opinion polling commissioned by the IFB has revealed that a considerable majority of the general public hold family businesses in high regard in terms of perceptions around their trustworthiness. In an environment where trust in business is too often lacking, family firms have the opportunity to stand out from the pack based upon their commitment to meeting customers' needs guided by a set of values that resonate with people.

This still leaves open the question for owners who wish to put forward their family business credentials – either for internal (employee brand) or external (product or service brand) reasons – as to the best way to go about the task. To help provide answers the IFB Research Foundation issued a call for research proposals and selected a bid from two of the world's leading experts in this field, Joseph Astrachan and Claudia Binz Astrachan. The brief was to examine family business branding practices in the UK and to set out their recommendations that can be implemented by family firms wanting to leverage their distinctive form of ownership.

This report also includes a series of excellent case studies that help to illustrate real-life branding practices of successful family firms. In addition, a survey was commissioned to further corroborate the evidence base, and its findings are also covered in the report.

I hope that you will be able to use some of the tools outlined in the report to your advantage in order to further strengthen your family business brand credentials.

Grant Gordon
IFB Research Foundation Co-Founder and Director

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Executive summary

A growing number of family firms of all types and sizes, and from all around the world, are increasingly promoting the fact that they are family owned or family managed through their marketing and communication activities. Examples include companies such as SC Johnson (US, "A family firm"), Patek Philippe (Switzerland, "At our family-owned company we have a unique way of creating a new watch – we involve the family") or Warburtons (UK, "From our family to yours"). At the same time, a small but growing body of research is beginning to substantiate the intuitively appealing assumption that family firms benefit from signalling to their stakeholders that they are family owned through the promotion of such a distinct family business brand.

This report summarises the findings from an extensive research project on family business branding in the UK, and shows how, and under which circumstances, family firms can benefit from promoting the fact that they are family owned, and some of the key issues they should consider when doing so.

Lessons learned

Lesson 1: Branding the family business is popular

The 125 companies surveyed for this study feel that they extensively promote the family nature of their companies to their stakeholders; most notably to current and potential employees (79 per cent and 64 per cent), customers (67 per cent) and suppliers (46 per cent). Over half of the respondents (54 per cent) declared that branding the family business was an important part of their marketing strategy, which clearly shows not only that UK companies generally perceive the promotion of the family background of the company to be beneficial, but also that being a family business is an important part of their company identity, and a characteristic they are proud of.

However, only a small fraction of the companies surveyed apply a systematic approach in terms of promoting their nature as a family business. Less than 9 per cent specifically investigate the potential consequences of branding themselves as family owned to their stakeholders, and a mere 6 per cent systematically evaluate the effect that promoting the family nature of their business has on their stakeholders' perception, intention to do business with them and, ultimately, the company's financial performance. These numbers are thought-provoking, given that prior research shows that the notion of family is not equally valuable in all contexts. This means that while branding the family firm may be highly relevant for certain products (such as food products, or products in the luxury industry) or stakeholders (for example, environmentally conscious consumers) it may not add any value – or it may even have a negative effect on the brand – to promote the family nature of the company in other contexts (see also Lesson 3 overleaf).

Lesson 2: Branding the family business is beneficial

The majority (64 per cent) of survey respondents believe family business brand promotion to be beneficial. A distinct family business brand is assumed to contribute to a company's image of trustworthiness (81 per cent), social responsibility (70 per cent), quality-orientation (68 per cent) and customer-orientation (67 per cent).

Furthermore, two-thirds of the respondents (66 per cent) find their corporate reputation to be superior, as compared with their non-family competitors. Interestingly, there seems to be no difference between companies operating in business-to-business (B2B) and business-to-consumer (B2C) contexts; both are equally likely, and consider it beneficial, to promote themselves as family owned. Also, we found no discrepancy in terms of the proclivity to adopt a family business brand between family firms that carry the owning family's name and companies that do not, nor between older and younger, and smaller and larger family firms.

Lesson 3: Branding the family business is not for everyone

Through a set of in-depth case studies with UK family firms of different sizes and ages, operating in different industries, we found that while family firms consider the promotion of their family background to be beneficial, they also feel that some contexts – such as products and services that involve craftsmanship and personal interaction or luxury brands – might be more suited for family business brand promotion than others.

Also, there may be negative outcomes associated with promoting a family business brand. The interviewees particularly referred to enhanced family visibility – and the attendant personal risks such as increased scrutiny or even public harassment in cases of family- or company-related scandal – and emphasised the need to discuss these potential risks within the family. In addition, several interviewees felt that the family nature of the business may also evoke negative associations with some of their stakeholders (such as lack of professionalism or nepotism), which need to be mitigated by means of communication (that is, by referring such issues to the company's board of directors or by ensuring that suitable career programmes are in place).

Lesson 4: Family businesses' branding strategies differ

The case studies also helped us identify different family business branding strategies or underlying messages that revolve around three dominant topics: (1) history and heritage, (2) tradition and innovation, and (3) values and responsibility. For the purpose of this report, we classified the companies in our sample into these three categories. However, in reality, most family firms generally use a combination of family-related references in their marketing – for example, combining messages about the company's history and family heritage with information about the family and company values, or mixing details on the firm's innovation record with information on the philanthropic activities the company supports.

Four keys to successful family business branding

Our findings suggest some key considerations for family businesses when they choose to promote themselves as family owned. We call these success factors "the four keys to family business branding".

Key 1: Foundations of family business branding – preparing family and business

A family and business that are not prepared for family business brand identification will necessarily limit the effectiveness of the execution of a family business brand and the effects of a brand message. The family, for example, must be prepared and be able to respond appropriately and in a timely fashion to any wayward behaviour on behalf of family members that can be associated with the business, which requires opening up a discourse to make sure that all family members are aware of their public roles and the responsibility that comes with increased visibility. On the business side, it must be ensured that the family's values are reflected in business policies and practices (for instance, family ownership is generally associated with customer orientation) in order to meet stakeholder expectations.

Key 2: Family contribution – identifying how your family can add value

References to the owning family and giving the company a human face can lead to a range of benefits for the business. However, simply referring to the fact that a company is family owned may not be enough to garner substantial positive benefits. A powerful family business brand portrays how the owning family adds value for stakeholders – such as for consumers by personally supervising the quality of the products and services offered.

Key 3: Implementation – selecting intensity and assuring fit

The family nature of the business can be promoted in various ways, and to different degrees. First and foremost, the level of family business brand promotion depends on the family's willingness to be a family with a public profile – and, by implication, on their capability to live up to the expectations that come with being publicly visible.

Secondly, every company should investigate the potential benefits and downsides of family business brand promotion in their respective context. Some questions that need to be addressed include how their customers will feel about buying from a family business (will it make a positive difference), and how it might change the company's image on the labour market (will the company remain attractive for talented job seekers)?

Key 4: Reinforcement – bringing values to life

Building a compelling family business brand necessarily involves bringing the values that define the company and the family to life. This can be done in at least four ways:

1. Assuring alignment between the key family values and brand message.
2. Exemplifying the key values through one's own behaviour.
3. Establishing processes that allow for evaluation of compliance with existing values.
4. Making values visible and tangible for all employees on a daily basis.

Recommendations

For family firms wanting to leverage the positive perception of a family business brand, and the likely image-based advantages that family-owned companies enjoy today, signalling their family firm status to their stakeholders is of strategic value. Interestingly, while the survey results make clear that internal family business brand promotion (i.e. to employees) is deemed important, most companies seem to focus their branding efforts on external stakeholders, such as customers or suppliers. Given that research shows that internal family business branding likely strengthens employee commitment and motivation, not having an internal family business branding strategy might be somewhat of a missed opportunity.

In summary, a family business brand can benefit the business, employees and other stakeholders, and ultimately the owning family in terms of firm performance, customer trust and satisfaction, employee loyalty and motivation, family harmony and cohesion, and more. However, a distinct family business brand also increases the visibility and scrutiny of the owning family, and requires family members to be part of, and live, the brand promise daily – a responsibility on which all family members need to be in agreement.

1 Introduction: Exploring the idea of family business branding

Family firms in the UK and around the world

Family firms[1] shape the profile of most economies and are the predominant form of enterprise around the world, making a significant contribution to wealth creation, job generation and national competitiveness. Family-owned companies account for up to 60 per cent of all firms and 40 per cent of total employment in the private sector in the UK, generating almost 30 per cent or £1.1 trillion in private sector revenues and contributing 32 per cent of total private sector GDP and 25 per cent of total UK GDP.[2]

In many countries family firms enjoy a favourable reputation – for example, the "Mittelstand" in Germany, where family-owned companies are considered the strong backbone of the economy. In other places, however, and despite their tremendous economic and societal relevance, mainstream media often portray family-owned companies as outdated compared with successful publicly listed global conglomerates. In the UK, for example, a common misconception among the public, often reinforced by media, is that family business is synonymous with small business, ignoring the significant economic contribution of mid- and large-sized family firms.[3]

Family business branding gains popularity

Public perception seems to have shifted in favour of family firms as of late. The far-reaching financial crisis overshadowing the first decade of the new millennium has shaken many publicly owned corporations to the core. The public discussion regarding spiralling executive compensation and bonuses, as well as revelations about large businesses paying very low levels of corporate taxes has apparently led to a general loss of trust in these institutions.[4] Family firms are now increasingly referred to as the trustworthy, long-term and value-oriented model businesses, as compared with the arguably more short-term oriented publicly owned companies.[5]

This might explain why a growing number of print outlets, as well as television and radio stations, have recently picked up on the idea of "family business branding", prominently featuring family business

1. For the purpose of this research we define family firms as companies where members of the same family, or related family branches, hold a majority interest, and where the owning family exerts a dominant influence on the strategic direction of the company through ownership, governance, management and vision (Chrisman, Chua and Steier, 2005; Chrisman, Chua and Sharma, 2005).
2. IFB Research Foundation (2014).
3. Binz Astrachan (2014); Binz et al. (2013).
4. Uslaner (2010).
5. As shown by a 2014 YouGov survey, commissioned by the IFB, which investigates consumers' trust in UK companies (http://www.ifb.org.uk/latest-news/family-businesses-more-trusted-than-listed-companies.aspx).

stories in their business sections, elaborating on their economic and societal relevance, and lionising individuals and families who are in charge of older (sometimes century-old) family companies.[6]

At the same time, increasing numbers of family firms around the world have begun to capitalise on their family business status by actively promoting their family background by means of a family business brand[7] to their (mainly external) stakeholders such as customers and suppliers. They do so by stating, for example, that they are a "world-class and still family-owned company" (JCB, UK), or have been "family owned and managed for seven generations" (Bacardi, Bermuda) or that their experience has been "passed down through fifteen generations" (Beretta, Italy). These examples indicate that referring to family ties allows these companies to set themselves apart from their competitors and create an inimitable and easily recognisable profile in the market-place.[8]

IFB Research Foundation family business branding research project

Prior research suggests that family companies that seek to compete on the potential reputational advantages of a family business brand should actively promote that they are family owned and operated to their stakeholders.[9] However, while the body of research substantiating that a distinct family business brand is a source of competitive advantage for family firms is growing, little is still known about how a family business brand affects the company and the owning family. Also, because prior research largely focuses on Continental Europe and the United States, it remains unclear whether branding the family firm indeed represents a valuable opportunity for family businesses in the UK.

Given the economic and societal role that family-owned companies play in the UK, this research has sought to determine the potential benefits and downsides of family business branding. Because the value of a family business brand is likely to vary depending on certain characteristics such as provenance or industry affiliation, the IFB Research Foundation considered that more systematic research was needed to investigate the conditions under which a family business brand is most beneficial for companies in the UK. This research applies a mixed methodological approach, combining qualitative case studies with family firms and a quantitative survey among family firm owners and managers in the UK (see the "References and methodology" section at the end of this report).

6. BBC (2014a; 2014b).
7. A family business brand can be defined as "a corporate brand owned by a family firm, encompassing the sum of marketing and communication measures that convey the fact that the company is family owned and /or family managed to internal and external stakeholders, resulting in a distinct family firm reputation" (Binz Astrachan, 2014).
8. Blombäck (2009).
9. Craig, Dibrell and Davis (2008); Krappe and von Schlippe (2010); Zellweger, Eddleston and Kellermanns (2010); Zellweger et al. (2012).

2 Family business branding strategies

Our analysis of the case study interviews revealed three distinct family business branding strategies that revolve around different dominant messages:

1. Building on one's history and heritage.
2. Finding a balance between tradition and innovation.
3. Demonstrating responsibility and promoting one's values.

Companies usually adopt mixed strategies, combining elements of the family's heritage with their values, or tradition and responsibility. In this report we have attributed each of the case studies to one of the three strategies for the purpose of illustrating family business branding practices.

Strategy 1: Building on one's history and heritage

Long-standing family firms have one major advantage over younger, non-family companies when it comes to marketing themselves: decades, and sometimes a century or more of family legacy upon which they can build, a unique and inimitable family identity that is based on the family's history and values, and their ancestors' achievements and good deeds. Research on so-called "heritage branding" – which is all about evoking nostalgia in the target audience through physical artefacts and intangible attributes that connect the brand to its past – has found that referencing a brand's past contributes strongly to brand credibility and authenticity.[10]

The findings furthermore indicate that a heritage strategy may be most effective for luxury industries, or generally industries where craftsmanship is highly appreciated and where quality is a key purchase determinant. Many family firms – regardless of industry affiliation – have begun exploiting this opportunity by including their founding year or the number of generations the company has been owned and managed by the family in their straplines, such as "family tradition since 1753" (Warsteiner beer, Germany).

While this trend has been found to be relevant with consumers all around the world, it may be even more valuable in some cultural contexts: for example, China, says the CEO of Salvatore Ferragamo, "has a desperate need of the past. It is really important to them to find something that is authentic – they want to go back to original roots".[11]

10. Brown, Kozinets and Sherry (2003a; 2003b); Urde (2003); Urde, Greyser and Balmer (2007).

11. Menkes (2010).

Key lessons from the history and heritage case studies

- **Age is more than a number.** Entrepreneurial dynasties have learned to survive and thrive over centuries by developing an institutional memory, and their sense of continuity implies stability and thus reliability. The central message should therefore convey that the company has been and will be around for a long time, providing reliable service, a stable working environment and long-term business relationships.

- **Exploit your family legacy.** Every family is different, every family history unique. Find out what makes your family special – and how that has and still does contribute to your family's success. Also, do family members still talk about some inspiring family characters or memorable family stories? Such stories give your business a face and a soul, and telling them to stakeholders helps them relate to your family and the company, increasing interest and loyalty.

- **Putting the past to work.** Talking about the family's century-old legacy is a powerful signal. Yet, just talking about the past helps little in the present. Consider talking about how what you learned from the past is useful to you and other stakeholders in the present day, and how it will be valuable in the future. For example, customers need to understand how they can benefit directly from the know-how that has been built over decades or centuries.

Case study

William Grant & Sons

Independent family distillers since 1887

Turnover: £1,100 million
Employees: 1,800
Founded: 1887
Generations in family: 6
Industry: Spirits

William Grant & Sons is the largest Scotch whisky distiller in the UK remaining in family ownership, producing world-renowned single malt Scotch whisky brands such as Balvenie and Glenfiddich, as well as brands in other selected categories of spirits such as Hendrick's Gin.

William Grant & Sons has never been afraid to be a trailblazer. The company is said to have been first to market single malt Scotch whisky abroad, and the first distillery in Scotland to open a production site to visitors in 1969, the Glenfiddich distillery in Dufftown, which today attracts over 70,000 visitors annually.

William Grant has also been a forerunner when it comes to systematic family business branding – the company undertook extensive research before launching its "Family Run Since 1887" campaign for Glenfiddich in 2013. The research showed that, particularly in Asia, the notion of family management (as opposed to ownership only) added tremendous value, which is why the company decided to go with the strapline "family run" rather than "family owned". The reasoning behind William Grant's change in branding strategy was that Glenfiddich had been underperforming versus newer brands in its category – presumably because customers underestimated the quality of the liquid, which was often considered an entry point into single malt. The new marketing campaign highlighting the concept of being family run added significant value to the perception of the liquid and helped people reconnect emotionally with the brand.

William Grant & Sons did not foresee that the Glenfiddich campaign would be such a big hit, not only with customers but also with business partners: many of the company's distributors in the United States, which is one of its largest markets, are also family-owned companies, so the Glenfiddich campaign resonated with them, and because it said nice things about them as family businesses it helped the distributors feel connected with the brand.

William Grant & Sons invests significantly in its six core brands, and the company's family background is heavily promoted for some of the individual brands, like Glenfiddich, where the family connection plays a very important role. On the other hand, William Grant refrains from overtly communicating the family firm status for other brands: in its advertising for Hendrick's Gin, for example, the family does not feature. Hence, there is so far no common positioning, or family business branding across the brands. The family involvement is also promoted on the William Grant career website to help to enhance the company's employer brand (www.careers.williamgrant.com).

Case study

C. Hoare & Co.

PRIVATE BANKERS SINCE 1672

C. Hoare & Co.

A family business since 1672

Turnover: N/A
Employees: 400
Founded: 1672
Generations in family: 11
Industry: Banking

C. Hoare & Co. is Britain's oldest, independently owned private bank and the fifth oldest bank in the world. Seven cousins of the Hoare family – who are also partners – currently serve as members of the board. C. Hoare & Co. is one of the last remaining private banks whose owners have accepted unlimited liability.

Despite crises coming and going, the bank's long history and the powerful institutional memory embedded in the family has enabled the bank to differentiate the merely fashionable from developments offering lasting value. C. Hoare and Co. combines traditional values with a modern perspective and retains a cautious approach to risk. This approach has proved extremely valuable to customers and other stakeholders of the bank, particularly when other institutions were seen to have taken on more risk than they understood during the banking crisis of 2008. Stakeholders appreciate a bank where the owners have accepted unlimited liability, helping to ensure decisions are taken with a view to the long term but with the benefit of long experience, with the stated aim of perpetuating a profitable family business.

The bank's identity is completely wrapped up in the fact that it is a family business. Its ethos is "to treat others as we would wish to be treated", while its values are lived throughout the organisation and permeate the decision-making process. This ethos and value system extends to all staff and customers – as a small bank it is important that the customers have the same values as the bank itself. Running the bank in this way means the business follows. In recent times, C. Hoare & Co. boasts 10 per cent growth year-on-year of funds under management, lending and deposits, as well as a return on equity of over 10 per cent.

The family is involved in the day-to-day management of the bank, meeting customers, taking decisions and accepting accountability. Long-term relationships with customers are based on an in-depth understanding of circumstances as well as mutual trust and respect, and the provision of a personal service that is difficult to come by elsewhere. C. Hoare & Co. strives for quality rather than quantity of customers, and believes these long-term relationships are possible because of the ethos, values and family involvement.

The bank's marketing efforts are not overt. The website, which was updated in 2013, focuses on the importance of the bank's history, highlighting the family background that differentiates the bank from its competitors, which are frequently large, global companies with diverse shareholders driven by short-term returns. In addition, the website now has the modern twist that makes the bank relevant to today's customers. The bank takes on a number of new customers each year, although it does not advertise. Many new customers are introduced through recommendations by existing customers. Before a formal relationship is established, new customers usually meet with one of the family, who personally explains the history of the bank, its values and services.

Case study

Johnstons of Elgin
SINCE 1797

Johnstons of Elgin
Made in Scotland since 1797

Turnover: £58 million
Employees: 900
Founded: 1797
Generations in family: 8
Industry: Textile manufacturing

Johnstons of Elgin is the last remaining mill in Scotland to take cashmere from fibre to the finished product. The company produces cashmere and tweed apparel for the luxury segment, with their products reflecting the heritage, landscape and values of the region. In 2013 the company was granted the Royal Warrant of Appointment to The Prince of Wales.

Johnstons of Elgin, the Scottish cashmere weaving pioneer, was originally founded by the Johnston family, but has been in the hands of the Harrison family since 1920. The Harrisons – who see themselves as custodians of the business – bring long-term commitment. While heritage and continuity are focal messages, the owning family does not feature prominently in corporate communication.

Johnstons manufactures for some of the big brands, and its own Johnstons of Elgin brand accounts for roughly 15 per cent of output. It follows that the company is careful in terms of promoting its own brand, aiming to avoid competing with key customers. And while Johnstons does not overtly promote its brand or its family background, it still states on its website that the company was "established as a family-run business in 1797", and that their "quality reflects an enduring family-led business". Quality is also one of Johnstons of Elgin's five key values, alongside customer orientation, teamwork, performance and sustainability. These values, which have only been articulated and formalised within the last couple of years, are strongly linked to the company's heritage, and there are plenty of examples of them in action stretching back across the 218 years of corporate history. While the values are not promoted externally, they strongly underpin the company's external communications.

Johnstons is all about heritage and provenance, taking enormous pride in being "made in Scotland". The desire to weave the beauty of the Scottish landscape into all its products underpins the company's design process, while family members assign great importance to their heritage. The company's original mill buildings, still serving as production sites, are a five-star VisitScotland tourist attraction. In order to retain character the family is determined to preserve the mills as they are, rather than replacing them with a modern manufacturing plant, and they believe the craft workshops represent a unique physical link to the past and into the future. Johnstons frequently invites customers to the original mills so they can witness the fabric-making process from beginning to end. No other company controls the process in this way, and can ensure that every step meets the highest standards – a valuable selling point for a product as highly prized as cashmere.

Strategy 2: Balancing tradition and innovation

While highlighting a family firm's past can be a powerful means to convey expertise and reliability, and to create a perception of trustworthiness, it may not be adequate or sufficient for all companies and contexts alike. Many family firms limit their family business branding to conveying their past – for example, by displaying a timeline on their website, by colouring their print adverts in black and white or by exploring their predecessor's accomplishments in interviews.

While it is often a tempting strategy – and also a quite common one – to put the company's rich history at the centre of one's brand message, it can also engender the perception of a business "stuck" in the past. If a company fails to point out its recent achievements, how it has adapted and continues to adapt to the changing environment, stakeholders may not trust it to be a viable business partner for the future. This may be particularly important in future-oriented industries or with stakeholders who care about a company's future orientation – in particular, short-product life cycle, high-intensity industries such as pharmaceuticals, automobiles or the computer industry in general.

Companies that are successful managing the balancing act between the past and the future build their brand on both pillars: they are proud of their past, and have learned their lessons from it, but they live in the present, where they are working towards building a company that is able to meet the requirements of the future and they clearly articulate their family's role in that process (such as through oversight, values or participation in innovation). Being able to master future challenges, among other things, means being able to embrace change and to foster innovation throughout the company – not only regarding the company's offerings, but also its structure, processes and culture.

Key lessons from the tradition and innovation case studies

- **Clash of cultures.** Revitalising a brand is a challenging undertaking, where generations often clash. The younger generation needs to treat senior generations' desire to gradually change the brand identity with respect, while the older generation should come to an understanding that successful companies need to adapt – and that includes the brand and the corporate identity, even if those elements have remained the same for a very long time.

- **Resistance to change.** Employee loyalty is a key success factor for most family firms, but sometimes loyal employees who may have been around for decades and who are dedicated to upholding traditions may hinder change without intending to do so. When revitalising a brand, make sure to secure the buy-in of your workforce. Your employees need to understand, agree with and, ultimately, incorporate the (new) values. They will be living the values on a daily basis, in every interaction, and should therefore be seen as powerful change agents in the process of brand revitalisation.

- **Innovation as a message.** Family firms, because of their financial independence, have a unique advantage in pursuing promising, long-term R&D projects, and therefore a true edge for innovation. Because of concentrated ownership and the premium placed on firm and family survival, family businesses are more likely to embrace large-scale innovation when called for, including acquisitions or disposals of major divisions, or even changing their core business. Not investing in innovation because of the risks involved (like loss of capital) may create an image of capital accumulation being more important than adding value for customers (i.e. "We really care more about accumulating and protecting our wealth than about serving our customers"), which makes it hard to promote a believable family business brand.

Case study

BERRY BROS. & RUDD
3, ST. JAMES'S STREET, LONDON

WINE & SPIRIT MERCHANTS

Berry Bros. & Rudd

Britain's oldest fine wine and spirit merchant

Turnover: £138 million
Employees: 295
Founded: 1698
Generations in family: 8
Industry: Wine and spirits

While the oldest wine and spirit merchant in the UK, Berry Bros. & Rudd is also among the most innovative companies in the industry, continuously trying to anticipate and adapt to a rapidly changing environment. The company has supplied the Royal Family since the reign of George III and holds two Royal Warrants for H.M. The Queen and H.R.H. The Prince of Wales.

Since the founding days, little has changed in the original shop, which today is still located at 3 St James's Street. Many traces of the company's history, including documents and artefacts, are on view for visitors. Despite the traditional character of the company's headquarters, including prominent displays of heritage onsite, online and in the firm's printed marketing material, Berry Bros. & Rudd also makes sure to highlight its innovativeness.

The business is experienced at managing change. Before becoming Britain's oldest fine wine merchant, and one its most innovative, the company acted as a merchant selling provisions, exotic spices, tea and coffee. Today, Berry Bros. & Rudd is the only wine merchant in the world to boast eight Masters of Wine, and it was also the first wine merchant to open an online shop in 1995.

In 2012 Berry Bros. & Rudd underwent a comprehensive rebranding process, with the owning families being the drivers. The catalyst was the relabeling of one of the firm's wines, which started some controversy within the family. Some family members felt the new label was too modern, while others thought that it was very necessary to make their labels look more contemporary. Their approach to revising the brand was very systematic and made sure the updated brand remained strongly rooted in their long-standing values. So the revised brand needed to reflect tradition while not appearing outdated, and at the same time to carry the message that Berry Bros. & Rudd was a highly innovative and forward-looking company.

One important thing the company focused on was getting the employees to understand the essence of the revitalised brand, and that they were brand ambassadors. Human Resources engaged a large and diverse group of employees in articulating the firm's values and understanding their meaning, and subsequently those values and associated behaviours were integrated in employee performance plans. This was part of a longer-term process to secure the company's values, strengthen the revitalised brand and prepare the firm's culture for future growth and expansion.

Case study

John White & Son
Established 1715

Turnover: not disclosed
Employees: not disclosed
Founded: 1715
Generations in family: 8
Industry: Industrial manufacturing

John White & Son is the oldest independent weighing company in the UK, and the oldest family business in Scotland. Adapting to changing technology, the business has continuously developed and expanded its product offering over the past 300 years, now providing a diverse range of state-of-the-art weighing equipment and systems for industrial applications.

The weighing industry is a virtuous business; the oldest mention of weighing in the Bible refers to "an honest weight". Having to produce and work with equipment that must adhere to very strict standards means operating at the highest levels of technical expertise and ethical principles.

In its 300-year history, John White & Son has continuously embraced developing technology in providing new products and weighing solutions. The company is accredited with "Investors in People" and this is evident from the customer care focus and continuous development programmes for employees. This investment in training and development has paid off, affording the company excellent technical expertise that gives it a strong commercial edge in the weighing industry.

Nevertheless, managers believe that they could do more in advertising and branding to enhance their market share by creating more awareness among existing and potential customers about the range of solutions they offer. The trust placed in John White & Son is evidenced by its strong customer base and its long-standing relationships with key players in a number of industries – such as Diageo in Scotch whisky, Breedon Aggregates in quarrying, BEAR Scotland in utilities and Walkers Shortbread in the food sector. Close to their home territory, Kirkcaldy linoleum manufacturer Forbo (originally Nairns) first became a customer well over 100 years ago, and distillers Whyte & Mackay have been doing business with the firm for nearly 70 years. As John White & Son seeks to enter new markets, the company recognises that it is important to share its achievements over the past three centuries with stakeholders.

In its anniversary year John White & Son has the opportunity to use the firm's unique longevity and family history status in its communications and promotional material. This will enhance the company profile, reinforcing the brand and helping it to reach a wider audience.

Strategy 3: Demonstrating responsibility and values

One of the advantages family-owned and family-managed companies enjoy over widely owned, publicly listed firms is that there are people behind the company and its offerings who are committed for the long run. Given that the family's reputation is inextricably tied to the business, the owning family will go to great lengths to protect the reputation of both the family and the business. Because of the strong identification family members feel with the business – which may be enhanced if the business carries the family name – the owning family feels ultimately responsible for what happens in the company.

The "responsibility and values" strategy revolves around the notion of accountability, continuity and trustworthiness. The strategy also works particularly well with messages related to sustainability and charity, highlighting for example that the company has adopted programmes to reduce its carbon footprint, demonstrating that there are processes and structures in place ensuring that employees enjoy good working conditions, or pointing out how the company or the owning family support charitable activities, or how they contribute to and invest in the local community.

Family visibility can facilitate building an image of responsibility and bringing values to life. Particularly when family and company values are well aligned, family members are great value ambassadors if they manage to portray and live the company and family values in a credible way. Ideally, more than one family member represents the company, which reinforces the perception of continuity and family cohesion.

Key lessons from the responsibility and values case studies

- **Family as the engine of values.** The family can be a powerful and valuable source for company values. Family values, built up, learned and passed on over generations, are usually deeply engrained in the family's DNA, and these values will underpin and guide the family's behaviour, and also determine the family's vision for the company. Families who have not formally written down their family values may find the process of discovering (or rediscovering) their value foundation a beneficial exercise that helps them sharpen their family identity and clarify family goals.

- **Family members as embodiments of values.** Family members make credible value ambassadors by bringing values to life through exemplifying them in their interactions with employees, suppliers and other stakeholders. There is, however, a downside to using the family as a marketing tool. The "responsibility and values" strategy in particular plays up family values and the fact that the family assumes ultimate responsibility for the company's actions, creating high expectations for both family and business to live up to.

- **Family business and corporate social responsibility (CSR).** A growing body of research supports the assumption that family businesses are more likely to behave as responsible corporate citizens, and that the public also views them as more sustainable, responsible and trustworthy as compared with publicly listed companies.[12] Corporate charity blends well with family ownership: it resonates particularly with customers and may be worth considering even if at first the family may dislike the idea of publicising these commitments.

12. Binz Astrachan (2014); Carrigan and Buckley (2008); Orth and Green (2009).

Case study

Warburtons
Family bakers

Turnover: £500 million
Employees: 4,500
Founded: 1876
Generations in family: 5
Industry: Bakery

After decades of steady organic growth and the acquisition of several smaller, regional companies, Warburtons embarked on an extensive expansion programme in the late 1990s, moving into Scotland and then the London area in the early 2000s. Today, Warburtons is Britain's largest bakery with a market share of 24 per cent.

When it comes to promoting the family connection, Warburtons can be considered a family business branding pioneer, having first started featuring family in their advertising in the 1980s. When Warburtons made the conscious decision to use the family name and highlight the firm's family-owned status to brand the business to consumers, it ranked as the UK's third largest baker. The company's strongest competitors at the time were both large, publicly listed concerns, including the family-owned Associated British Foods. Attempting to grow the business and differentiate the firm's products, Warburtons began to highlight the quality difference in its products in connection with the family involvement. Managers began to realise that the family ownership structure, and being a regional, family-owned company was leading customers to perceive the business differently compared with its competitors, and that there was a value that could be leveraged.

In the first couple of years Warburtons featured family members in its TV advertising, until the number of willing family members declined, prompting a move to professional actors. Today, the company's print advertising still revolves around the family being actively involved in running and governing the business ("We care more because our name's on it").

With their key value being quality, Warburtons' message has always been that ultimately one can connect the quality of its products with the family's involvement running the business – and that the quality is as good as it is because the family cares. The three Warburton cousins currently running the company invest a lot of time and energy into making sure that quality is up to standards, paying regular visits to the firm's various manufacturing and storage locations. The company also invests heavily in R&D and quality management. Warburtons' spending on quality ingredients, on the number, novelty and sophistication of its production facilities (directly related to product freshness), a high-quality ethic and extra attention to detail (for instance Warburtons' trucks are equipped with a sophisticated GPS system that allows the company to continuously track both their whereabouts as well as driving behaviour) help the business to outperform the market.

Case study

Wates Group

Above all it's about people

Turnover: £1.2 billion
Employees: 2,000
Founded: 1897
Generations in family: 4
Industry: Construction

Wates Group is one of the UK's largest family-owned construction services and development companies, offering services in construction, interior design, living space and retail. Wates Giving, a charitable foundation, has invested over £8 million in local initiatives since 2008.

In 2002 Wates Group underwent a rebranding process, which included refining the company values. Wates stands for integrity, intelligence, performance, teamwork, and respect for people and communities. These are values that the company continuously demonstrates in a number of ways. Besides its official code of conduct, there is a set of behaviours called Foundations, which are built on the company values and reviewed twice a year with every employee. Internally, every new employee has a thorough induction including a presentation from a family member. All Wates' building projects have community engagement plans, often with a specific commitment to employ local people and suppliers. There is also an annual Community Day where all staff and family members as well as the supply chain and customers support up to 70 local community projects, such as CV workshops with school kids and redecorating homeless shelters. The group's external marketing claim – "Above all it's about people" – reflects Wates' recognition that its impact extends far beyond the fabric of buildings and into the lives of those that conceive, create, enjoy and maintain them.

Wates Giving plays a central role in supporting and coordinating the group's objectives around its community investments, and is part of the reason why the Wates Group brand is strongly associated with CSR and community engagement. Ideas around charity and community engagement receive strong support from family members, and are closely aligned with the family values. Since 2008 over £8 million has been granted by family patrons to causes related to the company's interest in areas such as education, social housing, justice and sustainability. Every award has a family sponsor, who personally visits and champions the cause. In 2012 Wates Group was named Business in the Community's Company of the Year.

While family has a governing rather than an executive role in the business, family members are highly involved and committed to the performance of the company. They strive to build and maintain strong relationships with key customers, which is why different family members "sponsor" different market sectors and carry out what they refer to as "embodiment by handshake". They believe that a personal interaction on behalf of one of the owners with customers can make all the difference, demonstrating that the family cares about customers and is personally committed to delivering high-quality work. In a very competitive industry, customers are looking for building contractors that have integrity and that they can trust, and Wates Group seeks to benefit from a reputation, forged over generations as a reliable and intelligent provider of building and development services.

The Wates family believes that blending wealth creation and social impact is not just a powerful formula, but an essential ingredient in the long-term sustainability and competitiveness of the firm that carries the family name. The company values lie at the heart of who Wates is and what it stands for: they engender continuity, stability and high performance in a competitive and changing world.

Case study

C & J CLARK LTD
SOMERSET • ENGLAND
SHOEMAKERS since 1825

C. & J. Clark International
British shoemakers since 1825

Turnover: £1,400 million
Employees: 15,000
Founded: 1825
Generations in family: 6
Industry: Retail

Clarks was founded by two Quaker brothers, Cyrus and James, who set up in business making rugs from sheepskin. Soon after, the brothers began utilising the offcuts that were too short for making rugs to produce slippers, marking the beginning of the iconic Clark sheepskin shoe. Today the Clark family owns 84 per cent of the company, with the remaining 16 per cent held by employees and related institutions.

Some 190 years after its founding, Clarks' company values are still firmly rooted in the original Quaker values of the Clark family: equal value to all people, modesty, integrity, community and, very importantly, stewardship. While they had always guided family and company behaviour, these values were only written down formally in 2013, some 20 years after the family withdrew from operational involvement in the company. Today, there are two non-executive family directors on the board.

The family stakeholder council – a representative body for the diverse stakeholder base with over 500 shareholders – came to realise that the generation of family members who used to work in the company were all in their 70s, and that in the future more effort would be needed to ensure a sense of cohesion among shareholders so that they could remain as consensual owners going forward. The family thus defined their ownership vision – being responsible, long-term stewards – and recorded the key values that underpin their behaviour. They also articulated their goals as family owners, which aim to support the company to operate with values aligned with the family's values. One of these goals is making sure the business takes environmental and corporate responsibility seriously. Responsibility and charity are important themes for family and company: Clarks firmly believes in giving back to the community. Several family members run independent foundations, providing considerable support to charitable activities – but again, in accordance with their Quaker values, they are not seeking publicity for their philanthropy.

While the company highlights its heritage and long-standing history in Clarks' marketing and communication programmes, it does not actively promote the notion of family or family ownership. The main reason for this is rooted in the family's deeply held religious belief that all people have equal value in the eyes of God. Hence, family members do not wish to put themselves at the forefront of business communications as this would be deemed immodest. The second reason concerns the company's shareholder base: ideas within the ownership body as to how family heritage should be portrayed – and which individual family members should be featured prominently throughout the company's 200-year history – differ markedly as between family branches.

Family business branding: A consultancy perspective

During this research project several family business interviewees highlighted the value of involving a branding or marketing consultant in their rebranding efforts. In addition to the case studies therefore, we also conducted interviews with two consultants in the field – Simon Paterson, owner of Paterson Associates, and Rebecca Robins, Director EMEA and Latin America at Interbrand[13] – and the following is a summary of the main learning points from those interviews:

- **Family firms have a brand-building advantage.** Because of their history of continuity and the existence and commitment of the owning family, family businesses have an advantage when it comes to building and promoting what consultants term "authentic brands" – i.e. brands with an original story, an engaging identity and a sincere commitment to deliver what they promise.

- **Brand authenticity is growing in importance.** As our environments become increasingly virtual and our communications more fragmented, brand authenticity is growing in importance for consumers and as a driver of demand. For brand owners, therefore, it affords a desirable point of differentiation and competitive advantage.

- **The best brands appeal to people on a rational and emotional level.** Long-standing family brands appeal to customers at both these levels, providing them with a sense of belonging.

13. Paterson Associates (www.patersonas.com) and Interbrand (www.interbrand.com).

- **"Brand guardianship" is important for family companies.** Family businesses tend to have powerful cultures, but the passion and emotion that underpins their brand can also represent a challenge. Questions arise concerning how a brand stays true to its heritage while at the same time remaining relevant for new audiences and for generations to come. The UK has lost a number of prominent family businesses that failed to tackle this issue.

- **Family values underpinning branding.** In implementing a family business brand, the business has to be the engine of the brand. There needs to be a strong, natural connection between the company's values, vision and purpose and the people's behaviour. Employees in particular need to be aware that they are brand ambassadors.

- **Family firm heritage and authenticity are always powerful drivers, but especially in the luxury sector.** Outstanding companies in the luxury industry are characterised by a culture of excellence that allows decisions to be made on the guiding principles of the brand. The four drivers of demand in meta-luxury businesses – craftsmanship, focus, history and rarity – constitute the guiding principles for where a family business brand should go, and ultimately not go.

3 Four keys to successful family business branding

In this section we outline the most important actions family businesses that choose to promote themselves as family owned should consider taking. We have coined these success factors, identified through the research study, "the four keys to successful family business branding":

1. Setting the foundations for branding the family business – preparing the family and the business.
2. Family contribution – identifying how your family can add value.
3. Implementation – selecting intensity and assuring fit.
4. Reinforcement – bringing values to life.

Key 1: Setting the foundations for branding the family business – preparing the family and the business

A family and business ill-prepared for family business brand identification will necessarily limit their effectiveness in executing the brand and the power of that brand message. Our research identified four areas in which family and business need to be prepared before they start developing and promoting a distinct family business brand:

- Family unity about business and family aims and objectives.
- Family values that are clearly identified and widely shared.
- Tightly aligned family and business values embedded into the business.
- Family agreement on family representation.

In the following sub-sections we examine each in turn.

Family unity about business and family aims and objectives

Family unity concerning business and family aims and objectives makes everything about achieving family business success and long-term family harmony easier – and developing and implementing a family business brand is no exception.

> **"The most important value for our family is unity – being a harmonious family is a prerequisite for being able to provide a stable platform for the business to succeed."**
>
> Jonny Wates, Wates Group

By family unity we mean widespread agreement and commitment about critical issues. Some key areas about which such unity of purpose needs to be developed include: the family's responsibilities to the business (for example, capital, stewardship, oversight and strategy); family benefits from the business (for instance, employment opportunities, reputation, pride, dividends, wealth creation and transmission of family values); and family cohesion (covering areas like how long will the family remain together, the importance given to family harmony, defining the roles of in-laws, internal communication styles and conflict management).

> **"We are a very close family group, and we are all completely on the same page. We know where we want the company to go and we don't want the company to drastically change what we are doing at the moment. There is always temptation to change things, to become more profitable by going down a different route, but we are all committed to simply continuously improve what we are already doing."**
>
> Jenny Houldsworth, Johnstons of Elgin

When the family is unified, both family members and non-family employees can more easily live and portray a family brand. Any conflict in the family about its aims and objectives will likely seep into the company inhibiting the development of consistent brand messages and messaging activities, which can lead to confusion among stakeholders. Family unity of purpose facilitates brand development and execution, and is the first essential step to developing a strong and compelling family business brand.

Family values that are clearly identified and widely shared

Family values provide insight for family members about acceptable behaviours. For example, the value of honesty sets a clear guide for how family members should treat people in general (for example, when in doubt, tell the truth and do not hide information). Family values also answer, in part, the question, "What are our family's strengths?"

Values are the explicit statement or guiding framework for how to act in difficult situations and, as such, can aid family cohesion in times of trouble and crisis because they limit the scope for family disputes ("We all agree you behaved consistent with our values so you are to be praised and not ridiculed"). Obviously, developing family values is an exercise not to be taken lightly. Values are often best drawn from family lore – the stories of past deeds of family members acting in critical situations, be they crises in the family or business, or foundational situations such as the rearing of children or the founding of an enterprise.

> **"Last year, the family shareholder council developed a formal document with their ownership vision – which is being responsible, long-term stewards of Clarks – and key values, or the principles that underpin their behaviours. These are the values the family has always lived by, and that guided running the business."**
>
> Melissa Potter, Clarks

Tightly aligned family and business values embedded into the business

When family values and business values are tightly aligned – that is, there is a high degree of overlap between family and business values – tension between business activities and family members is limited. When values are aligned, family members are more likely to be active supporters of the enterprise and thus fulfil their responsibilities to the business. Likewise, the business is more likely to behave in line with the family owners' wishes.

> **"The structure of unlimited liability – with complete cash flow and voting, but no equity rights – makes you focus on the things that might go wrong, which has served the bank very well. It aligns the group of us family stakeholders in trying to improve the state of the bank for the next generation."**
>
> Bella Hoare, C. Hoare & Co.

When the family values extend beyond improving performance and profits, we are likely to find employees pursing other value-creating activities that can serve as a source of employee motivation and long-term business strength. The successful family businesses in our sample all had compelling goals that went well beyond profit and personal gain – goals that can easily support a family business brand identity.

A tight alignment of family and business values facilitates the development of a consistent brand message that reflects these values. The most compelling family business brands grow from the family's values and experiences, and serve to communicate those values to all stakeholders. Inconsistent or misaligned values and brand messages will likely lead to confusion or charges of hypocritical behaviour at best, and deep resentment and mistrust at worst – and a mistrusted brand does more damage than good.

Family agreement on family representation

Deciding what aspects of the family history should be highlighted as part of a family business branding strategy, and handpicking individuals to be portrayed out of the many characters who have left a mark on the company and the family can be a tricky endeavour. The more diverse and dispersed the shareholder base, and the less unity there is among the family, or different family branches, the harder it becomes to agree on the story that should be told about the family.

> **"In terms of pulling out characters and making them into public heroes, we need to be mindful of the Quaker values of modesty and equality, but also of our diverse shareholder base with many branches – and as in every family, there can be tensions created if one person is drawn attention to or glorified."**
>
> Melissa Potter, Clarks

Like agreeing on values, family members need to develop a unified view about how the family canvas will be painted: which characters will be portrayed in the painting? How prominently, and with how many colours will they be featured? What is their position relative to other figures in the painting, and how is their contribution to the family and the business visualised? These questions require serious discussions and answers before the next step can be taken.

Secondly, family members must agree as to expectations around individuals' responsibilities in representing and communicating the brand (including, for example, public speaking and representative activities). Such explicit decisions will help family members avoid the resentments that can arise from assumed agreements where little consensus actually exists. Furthermore, these shared expectations allow family members to responsibly represent the brand in ways agreed to by all, which builds cohesion.

Note: A word on values

We have talked a lot about values – and there are some very common popular values that many companies include in their statement of corporate values. We would like to sound a word of caution about this, because the problem with common values is that they are not inimitable – and every family should focus on at least several values that have deep roots in the family lore and tradition. By tying the values more clearly to the family's legacy, the values will gain a unique character in the minds of stakeholders.

These four foundational areas are continuously evolving, and a family and business that defines them at one point in time will often have to evolve the message as the family, business and the circumstances in which they live change.

Key 2: Family contribution – identifying how your family can add value

From a marketing and branding perspective, referring to the owning family helps set the company and its offerings apart in the market-place. Branding the family firm can lead to a range of benefits for the business, such as a superior reputation vis-à-vis non-family companies, higher levels of customer trust, stronger employee commitment, building an employer brand and, ultimately, improved financial performance.[14] We find that there are direct and indirect ways in which the family can add value: directly by being visible through promotion (for example, family members featuring in adverts); and indirectly through other activities (such as family members openly supporting charitable activities).

The reputation-based advantages of the family business brand are rooted in the positive associations that family ownership brings to mind, particularly for consumers but also for other stakeholder groups such as employees, suppliers, investors and the general public. Seeing a human being, a face behind a company, and a family that assumes full responsibility for whatever is going on within the business increases trust in an organisation. The fact that the family and business reputation are inextricably intertwined can foster the family's desire to provide excellent customer service, which serves as the foundation for developing enduring customer relationships, and this in turn reinforces customer trust.

> **"Our customers are our strength, and our longevity can be attributed to the fact that we have been continuously innovating to meet their needs throughout our history."**
>
> Edwin White, John White & Son

The continuous investment in and support of the community that many family firms feel strongly about further contributes to building a favourable reputation – and this favourable reputation can have a powerful effect on employee motivation, family cohesion, customer purchase intentions and general public support in times of crisis. However, promoting a distinct family business brand also comes with some challenges, and is likely to heighten consumer expectations concerning the company's trustworthiness and/or the quality of its customer service.

14. Binz et al. (2013); Craig, Dibrell and Davis (2008); Kashmiri and Mahajan (2010); Zellweger, Eddleston and Kellermanns (2010); Zellweger et al. (2012).

> **“You have to be disciplined when promoting the family nature of the company. It can create a hostage to fortune, and you have to be prepared to put your money where your mouth is. You have to get things right all the time if you want to remain credible – I think the standards that the consumers expect are very high.”**
>
> Melissa Potter, Clarks

Also, simply referring to the fact that a company is family owned may not be enough to garner substantial positive benefits. Warburtons, for example, is convinced that while it is relevant and beneficial to talk about the family’s involvement in the company’s external communication, the message needs to be about what the owning family can actually do for consumers – in other words, how the owning family can add value for customers. In the case of Warburtons, what the family brings to the table is their obsession with quality, which is reflected in their personal commitment as visualised in the company’s media campaigns.

> **“Customers may think it’s great that you’re a family firm, but are you going to make my family healthier, are you going to provide tastier products than the competitors? And in the end, that’s what matters.”**
>
> Ross Warburton, Warburtons

Similarly, William Grant & Sons managed to link the firm’s family background to the quality perception of its Glenfiddich single malt whisky. The starting point was research the company conducted in the process of developing a new marketing campaign for its long-standing Glenfiddich brand in 2013, which showed that many consumers thought that the brand was owned by one of the big, mass-market premium spirits companies dominating the market. Therefore, the external perception did not reflect the care and attention William Grant & Sons put into the quality of the liquid.

The company started investigating whether their family involvement would make a difference to their consumers – which it clearly did. They believe that once people became aware of their family involvement, they understood that Glenfiddich would never compromise on the quality of the product for short-term profit reasons and this enhanced customer purchase intentions and loyalty.

Besides conveying a quality message, the family can add value in other meaningful ways. For example, while developing a reputation as a socially responsible company, Wates Group built a strong reputation as a good corporate citizen over the past several decades, mainly because the family feels very strongly about contributing and giving back to their community. Wates Group established Wates Giving in 2008, and since then has supported dozens of community initiatives. Such authentic charitable company behaviour has contributed to Wates Group’s positive image as a good corporate citizen, and helps the business today to attract talented employees who buy into, and want to become part of the idea of good corporate citizenship.

> **“Family businesses have an abundance of authentic and rich themes to draw on. In Wates for example, we have a genuine commitment to positive community impact. On its own it’s a welcome characteristic. As part of a coherent family business brand it becomes part of a more powerful whole.”**
>
> Jonny Wates, Wates Group

While the vast majority of companies state that they consider promoting their family identity to their employees (current or potential) as important, our research shows that most companies limit their family business branding efforts to their external audiences – i.e. customers, suppliers and so forth – and do not have a clear family business branding concept for their internal stakeholders or for the labour market. In our opinion, this is a missed opportunity, given that prior research finds that employee satisfaction and commitment is higher in family-owned companies as compared with non-family firms, and that many job seekers are attracted by some of the distinct characteristics that define family firms.[15] We therefore recommend families develop an inclusive family business branding strategy that speaks to both internal and external audiences.

In summary, the family should identify how they can add value through family ownership and/or family management to both the company and, ultimately, their various external and internal stakeholders, based on their key values – be it their focus on quality, their desire and ability to innovate continuously, their (financial) independence, their determination to give back to society or any other compelling goals.

Key 3: Implementation – selecting intensity and assuring fit

Family companies promote their family background to different degrees, ranging from complete concealment of the firm's family ties to openly promoting its family background. Prior research suggests that the level of promotion of the family nature of the firm mainly depends on the owning family's identification with and commitment to the company: the more connected the family is to the business, the more likely they are to talk about their family background.[16] In reality, however, things are likely rather more complicated.

First and foremost, the level of family business brand promotion depends on the family's willingness to have a public profile. Increased family visibility and scrutiny that accompany the promotion of a firm's family background may increase risks to families. An example could be any kind of misconduct on the part of family members inside as well as outside the business, which threatens the reputation of both the family and the firm and which could lead to damage for the family business brand (particularly if the family and business reaction are not managed in an authentic manner consistent with the family's values and brand message). The family therefore needs to make sure that all family members are aware that a family business brand strategy comes with increased scrutiny. The family also needs to ensure that there are mechanisms in place that allow them to respond quickly and adequately to any situations caused by escalated family conflicts or wayward behaviour on behalf of family members that may be publicised.

Furthermore, there is the danger of threats to family members. Many entrepreneurial families around the world, particularly in countries that have significant political instability and corruption in law enforcement, have experienced traumatic incidents involving blackmailing or even abduction. This, of course, is not a major concern in the UK today, and, according to our research, family business leaders are currently not too worried about the impact a raised public profile might have on their next generation.

15. IFB Research Foundation (2013).
16. Sundaramurthy and Kreiner (2008); Zellweger, Eddleston and Kellermanns (2010).

Also, a high level of personification – i.e. a focus on a single individual from the family – might generally be a risky strategy: the one family member representing the company could suddenly become unavailable due, for example, to illness or death. It is therefore advisable to have the company represented by more than just one family member at any one time. Furthermore, if there is more than one face behind the brand, a larger number of diverse customers are also able to identify with those different characters more easily. Lastly, it may make for a stronger and more believable family message if more members are active in the brand portrayal.

> **“If you promote the family behind the company, then the family becomes visible – once the family moves into the public eye, it may become a target. Not everybody wants that. In such an instance an agreed family position on the question, ideally as part of a clear family branding strategy, is very helpful.”**
>
> Jonny Wates, Wates Group

Not all contexts may be equally appropriate for promoting the family nature of the company. In other words, the potential value of family business brand promotion depends on the company's as well as the product's specific circumstances (including industry, country of operation and stakeholders addressed).

> **“All of our brands stand for different things; there's not a common positioning across our brands. For Glenfiddich our family links play an important role because of what it says about our product … for Hendrick's Gin, the family story doesn't play as overt a role.”**
>
> Maurice Doyle, William Grant & Sons

Also, marketing for a B2B company is likely to be very different from marketing for a consumer-oriented B2C company. Business-to-consumer marketing may involve creating a warm, fuzzy feeling of family, whereas in the B2B world the aim is to convey trust and to help customers understand the values, which are the foundation of the company representatives' behaviour. Furthermore, the notion of family may resonate more for some products or services than it does others; for example, products and services that fulfil family functions (like protection, sustenance, nurturance and positive feelings) may benefit more from a family business brand than other products and services.

Generally speaking, family business branding is assumed to be most valuable where customers are personally involved in buying the product – whether for financial or emotional reasons – and therefore where trusting the person they are buying from is important.

> **“Being a relationship-driven family bank attracts a different set of customers – people who want to be able to trust their bank, who do not want to read the small print … The fact that we invest in relationships allows us to give them the service that they want further down the line.”**
>
> Bella Hoare, C. Hoare & Co.

For example, luxury brands seem to be particularly suitable for family brand promotion, as well as products where provenance matters, or where there is any craft involved (like furniture, quality clothing and food products) or where a personal interaction takes place as part of the service delivery process (such as in the hotel industry).

In terms of the actual message, different characteristics may matter to different stakeholder groups and in different cultures. While, for example, heritage and continuity are incredibly valuable in Asian countries, other characteristics such as perceived innovativeness or professionalism might be more important than longevity to stakeholders in other cultures. For instance, when William Grant & Sons did its own research in the context of developing the company's Glenfiddich campaign, it found that the connection of the notion of family with the Glenfiddich brand was deemed positive by customers around the world. However, it became clear that in Asia, where many businesses are family run, the degree of longevity was exceedingly important, which is why the company added the words "Since 1887" (with the tagline for the advertising campaign thus becoming "Family Run Since 1887").

Lastly, some companies use humour as an element when talking about their family in their branding – most likely because consumption of their product is related to enjoyment and fun, but very likely also because a good sense of humour runs in the family and stimulates family-like feelings in consumers. The *Joyce Warburton's Bakery* video, which was part of Warburtons' "Bakers born and bread" campaign that aired in the 1980s, is a great example of humorous family business branding.[17] The video shows a Mrs. Joyce Warburton, a member of the famous Warburton baking dynasty, preparing bread dough in the kitchen. As she pulls out the baked loaf from the oven – which unfortunately resembles a piece of coal – the voice-over tells viewers that since Joyce is only a member of the family by marriage she has to rely on her husband Derrick Warburton to make the bread.

In sum, companies that choose to promote the family nature of their firm need to make sure that (1) the family agrees to becoming publicly visible; (2) promoting a family business brand will be beneficial in the specific context in which the company operates; and (3) adding the notion of family to the brand message content adds value (for example, family usually reinforces a quality perception) and is a natural fit with the overall positioning of the product or service.

> **"I ask myself how our family business occurs to the outside world – does the notion of family matter? Wates has been around for such a long time that many people know that we are a family company. The family is visible and engaged so it is just clearly a family business, but we do not otherwise actively promote the family as a brand. This stance has served the business well for many years. The family-owned nature of our company is an advantage, an asset even, in a competitive world. We remain diligent, thoughtful and open minded about how we can best protect it but also bring it life."**
>
> Jonny Wates, Wates Group

17. See https://www.youtube.com/watch?v=gqcdXHaQA90 (accessed 2 January 2015).

Key 4: Reinforcement – bringing values to life

The last step in putting a strong and compelling family business brand into action is bringing the values to life, which can be achieved in at least three ways:

- Exemplifying the key values through one's own behaviour.
- Establishing processes that allow for evaluation of compliance with existing values.
- Making values visible and tangible for all employees on a daily basis.

Exemplifying values

Most family members – particularly those working in the company – are well aware of the fact that their behaviour is often considered as the behavioural benchmark for their non-family employees. Behaving adequately or compliant with company and family values sets an example for others (for example, unethical behaviour on the part of fellow employees will be reported), helps the family enforce behaviours that correspond with their values and facilitates redressing misconduct. Family members can be the most powerful value ambassadors both within and outside of the company if they exemplify the values the company stands for through their own behaviour.

> **“One of the things that sets Warburtons apart is our obsession with quality; it rules all of our decision-making. It really helps to have Ross, Brett and Jonathan [Warburton] as consistent figureheads with a consistent message, running the business for so long … they are continuously travelling to the bakeries, to the depots to emphasise and check and make sure that quality is up to the highest standards.”**
>
> Mark Simester, Warburtons

Establishing processes

Making sure that values are and remain alive in a company entails involving the workforce; and fostering a culture that is deeply rooted in the company values certainly helps bring these values to life in interactions with stakeholders.

> **“Everybody is responsible for the brand and living the values as such, including somebody who just started working in the mill yesterday.”**
>
> Jenny Houldsworth, Johnstons of Elgin

Another important part of ensuring that the key values are being lived and upheld continuously revolves around establishing adequate processes that ensure that people are being both encouraged and evaluated based on how well they comply with values.

> **“As part of a year-end appraisal, everybody gets evaluated on how they are living each value … I think the fact that people get evaluated on an annual basis on their performance versus the values gives the sense of how important these values are to us.”**
>
> Maurice Doyle, William Grant & Sons

By making compliance with the company values an important part of the annual employee review – and a major factor impacting every employee’s performance appraisal – William Grant & Sons makes sure that people are aware of the importance the company attaches to these values, and they are encouraged to behave accordingly.

Visible and tangible values

Lastly, making values visible and tangible is a great way of ensuring that employees – and other stakeholders – do not forget what your key values are, and what you stand for as a company. There is a wide range of ways in which values can be visualised as well as materialised. Visualisation involves easy measures such as designing a holding screen for all company computers that displays the key values, or putting up posters around the company buildings or distributing office material with the values imprinted on them. Materialisation is effected, for example, through community days, where all employees contribute their time and effort to charitable activities.

> **“When you turn on your laptop, the first thing you see on the holding screen are the company values. We have post-it notes with the company values on them to remind us of what they are.”**
>
> Maurice Doyle, William Grant & Sons

Four keys to family business branding: Actions to consider

Any family considering branding their business as family owned should address and find answers to the following questions related to each of the four keys to successful family business branding:

Key 1: Preparing the family and the business

- Are we a unified family – i.e. do we generally agree on critical issues?
- Do we have clearly defined family values? Are our family values generally shared by our family members, and across the different family branches?
- Are our family and business values aligned and, if not, are there any values that are in conflict with one another?
- Do we agree on what part of our family and business legacy should be portrayed and about which family member(s) should represent the company externally?

Add your own questions...

Key 2: Identifying how your family can add value

- What do we stand for as a family business (e.g. what historical reputation can we build on)?
- What quality, or characteristic, do we want to be known for as a family (i.e. based on the family mission)?
- Does this quality matter to our stakeholders (either all or just some of them) and, if so, why?
- Do we need to change anything within the family or the business (i.e. in terms of processes and/or behaviours) to further enhance this quality and to bring it to life?
- How can we turn this quality or characteristic into a meaningful message?

Add your own questions...

Key 3: Selecting intensity and assuring fit

- Which of the stakeholders addressed will value the notion of family and which may not appreciate it?
- Which aspect of family ownership (e.g. longevity, quality orientation, financial independence) is likely to make a positive difference to our stakeholders?
- Is family business branding equally appropriate for all our products and services (or all subsidiaries associated with the holding company)? How does this affect the positioning of and relationship between corporate and individual product brand?
- What should be the tone relating to the notion of family – e.g. serious (sense of responsibility), humorous (light-hearted), traditional (history and legacy), modern (innovation and flexibility) and so forth?

Add your own questions...

Key 4: Bringing values to life

- Are our family members good ambassadors for the values we claim to stand for as a family and as a company?
- How can we improve the ways in which we uphold and live by our values on a day-to-day basis?
- How can we encourage our employees to live by our key values at all times, including during their interactions with internal and external stakeholders?
- How can we make our value set visible and tangible within the family and the company?

Add your own questions...

4 Conclusions

Family firms brand themselves as family owned and family managed all over the world, and in increasing numbers. However, the extent to which the family nature of the business is promoted differs tremendously between companies, as do the ways in which this branding is applied.

Family business branding is more than just a trend – family businesses have an advantage when it comes to building authentic brands, and they benefit from the reputational advantage that can be derived from having a formal family business branding strategy. The uniqueness of every entrepreneurial family – their history, values and the characters of the individual family members – should act as a starting point to building an authentic, compelling and therefore valuable family business brand.

Branding the family business is not a cure-all, a guaranteed success factor or an unquestionable source of competitive advantage for each and every family business. The value of a distinct family business brand depends, for example, on the quality of the fit with product and service as well as the industry a company operates in, or the appreciation of the family nature of the firm on the part of stakeholders addressed. Most importantly, it also depends on the willingness and ability of the owning family to live up to the expectations created by referencing the family – at every touch point, and during every interaction with internal and external stakeholders.

We were surprised to find that the large majority of companies we talked to find that promoting the family nature of the business is beneficial for them, and the results from the survey reinforce this perception. This shows that family business branding is popular in the UK, although only a small minority of companies apply a systematic process when branding themselves as family owned. This may be a dangerous path, considering that referencing the family may not be beneficial in all contexts. Family businesses wanting to promote their family background should therefore carefully evaluate the potential value of a family business brand in their particular context, including industry, product and service positioning, stakeholder group addressed, and country or region targeted.

We sketched three different types of family business branding strategies that may inspire family firms in the UK to start thinking about which aspects of their family ownership and management they may want to highlight – in harmony with their overall positioning and existing brand image. We encourage companies to take a look at the cases we assigned to the different strategies, to visit their websites and to familiarise themselves with how these companies go about referencing the family – and then to start discussing if and how their own company should begin talking about the family behind the business.

Our four keys to successful family business branding hopefully provide guidance for family firms who have decided to look into promoting their family background, as they address the tasks both the family and the company need to take care of when referencing the family, and maybe give some ideas too as to how they could go about branding themselves as family owned.

While at this point we are unable to quantify exactly the financial benefits of a family business brand, based on the findings of our research we strongly believe that branding the family business is valuable for UK family companies.[18] A distinct family business brand is not only of value for the company (in terms of customer trust or employee loyalty for example), but also for the family, as it provides a platform for fruitful discussions about family values and heritage, and hopefully brings family members across family branches one step closer to being a unified, cohesive family.

18. Prior research in the United States has found a relationship between family business branding and performance – see, for example, Craig, Dibrell and Davis (2008); Kashmiri and Mahajan (2010).

Appendix: Overview of case study companies

Company name	Website	Industry	Employees	Sales (£m)	Generations	Claim
Berry Bros. & Rudd	www.bbr.com	Wine and spirits	295	138	8	Britain's oldest wine and spirit merchant
C. Hoare & Co.	www.hoaresbank.co.uk	Banking	400	n/a	11	A family business since 1672
C. & J. Clark International	www.clarks.co.uk	Retail	15,000	1,400	6	British shoemakers since 1825
Johnstons of Elgin	www.johnstonscashmere.com	Textile manufacturing	900	58	8	Made in Scotland since 1797
John White & Son	www.johnwhiteandson.com	Industrial manufacturing	n/a	n/a	8	Established 1715
Warburtons	www.warburtons.co.uk	Bakery	4,500	500	5	From our family to yours. Family bakers
Wates Group	www.wates.co.uk	Construction	2,000	1,200	4	Above all it's about people
William Grant & Sons	www.williamgrant.com	Spirits	1,800	1,100	6	Independent family distillers since 1887

In addition, we conducted interviews with representatives of the following companies: James Cropper; Beales Hotels; Interbrand; Paterson Associates; and Rowlinson. Due to space limitations we have restricted the number of case studies discussed in this report, featuring only those we considered the most informative examples of the points we wished to emphasise.

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Methodology

Qualitative case studies

We conducted case study interviews with owners and managers from 11 family businesses of various sizes and ages, operating in different industries in the UK. Eight of the case studies are featured in this report (see the Appendix for a list of the companies featured). We also conducted interviews with two branding consultants. All interviews lasted between 45 and 75 minutes and were subsequently transcribed and analysed using text analysis software (MAXQDA).

Quantitative survey

In addition to the case study interviews, we conducted a quantitative survey with 125 family business owners and managers in order to gain a more complete understanding of how and why – or why not – family firms in the UK promote the family nature of the business to their stakeholders. Using the IFB database, the survey was sent out to 1,250 UK family companies, with one reminder email two weeks after the initial mailing. We achieved a satisfactory response rate of 12.48 per cent (n = 156). After eliminating incomplete questionnaires, the total usable sample size was 125. We used SPSS Statistics software (version 21) for the initial analysis, and structural equation modelling software (SmartPLS, version 3) to further analyse the data collected. (The quantitative survey results are available at: www.ifb.org.uk/media/82257/Branding%20Report%202015%20Quantitative%20Survey%20Results%20-%20Final%20for%20Website%20%282%29.pdf).

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About the IFB Research Foundation

The IFB Research Foundation is a charity (no. 1134085) established to foster greater knowledge and understanding of family firms and their contribution to the economy and society, as well as the key challenges and opportunities that they face.

The Foundation's vision is to be the UK's centre of excellence for family business research, and to this end its publications are designed to create a better understanding of family business for the benefit of all stakeholders. Alongside ***Family Business Research and White Papers***, providing thought leadership on key family business characteristics and issues, its work covers a broad range of publications, including:

- ***Family Business Sector Report*** – benchmarking the size and importance of the sector.
- ***Family Business Challenges*** – offering practical guidance for family business owners on a broad range of topics, including family business dynamics, governance, performance, succession and wealth management.
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