

Family Firms Increasingly Emphasizing on Family Identity

A recent study jointly conducted by Ernst & Young and Cox Family Enterprise Center, Kennesaw State University (USA) has revealed that two out of every three family firms surveyed are actively promoting their family identity in marketing materials. The family owners think that family branding not only creates a unique differentiator in the market but also helps in building trust with customers and employees. Market research conducted earlier by Gilbane - a family-owned, US based construction company, revealed that customers tend to trust family firms more as they are sure that family firms would not undertake radical changes like 'growing too quickly' or 'selling-off entire business divisions' that may affect the amount of attention the company gave to the consumers. Gilbane found that family identity of the business also provides assurance of well-being to employees, and many of them prefer to work for family firms.

The EY-Kennesaw study titled - "*Staying Power: How Do Family Businesses Create Lasting Success*," surveyed 25 largest family firms across 21 top world markets. The companies that were surveyed had average sales of \$3.48 billion and 12000 employees. Each one of those was an international player with market presence in an average of 15 countries. The study revealed certain key factors for family business success, which included - preparing the younger generations for success; having women CEOs; increasing cyber-security; strengthening family relationships through philanthropic efforts and family business branding. The report suggested that developed market firms were more likely to adopt family branding as they can draw from a much longer family legacy compared to that of the family firms in the developing markets.

Source: Harvard Business Review, April 27, 2015