

Chapter 15

Family Business Firms' Branding: Managing Strategic Attributes That Influence Millennial Consumer Behavior

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ABSTRACT

Company decision making tends to center on Millennials, particularly because they represent a significantly large market with many behavioral characteristics and patterns that elude organizational leaders. Family business scholars have not yet delved into this contemporary phenomenon, which is relevant due to shared similarities between millennials and family businesses' values/beliefs. That said, are family business firm (FBF) branding efforts influencing Millennial consumers' behavior? If so, what FBF branding attributes drive Millennial purchase decision-making? This chapter provides insights on FBF branding, with a global presence, and the attributes driving millennials to patronize these firms, and includes quantitative and qualitative analysis and discussion on a conceptual model.

INTRODUCTION

Branding is one of the most important elements of business strategy as it provides greater competitiveness to family business firms (FBFs) by allowing them to differentiate their products and services from those of their competitors. Extant literature on branding highlights not only the differentiating aspect but also its importance to create added value to the product beyond its functionality (Knox, 2004; Keller, 2003). Therefore, products' added values differentiate them in the marketplace and stimulate customers to have a preference for or have loyalty toward one brand and not to another. FBFs, similar to non-family businesses, develop brands to attract and maintain customers, and through the brand, promote their values, image, a certain prestige, and a lifestyle (Presas, Muñoz, Guía, 2011; Da Silva & Alwi, 2008). A brand

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comprises a name, symbol, and design (O' Malley, 1991) that identifies the products or services of an organization and differentiates it in the market (Kotler & Armstrong, 2011). A firm's brand is one of its most critical organizational assets and plays a key role in improving the financial equity of the firm (Kotler & Keller, 2006).

In the case of FBFs, branding offers them the opportunity to commercialize their products and services using their name, identity, values, history, vision, and culture as unique elements of its organization (De Chernatony, 1999, Harris & de Chernatony, 2001; Wanhill, 1997). Why should a FBF communicate its history, values, and identity through corporate and product branding? In recent years, some scholars on family business have pointed the benefits of leveraging on the family brand (Astrachan & Astrachan, 2015) to foster customers' positive perceptions of the family firm (Blombäck, 2009; Frost, 2008), achieve success in the market, improve sales growth (Bruce, Peters, & Naik, 2012), or to add symbolic attributes to the firm's products or services beyond their physical characteristics (Aaker, 1991).

Regarding the value of a firm, which consists of both tangible and intangible assets, Habbershon and Williams (1999) considered that the strength of FBFs lies in their intangible resources. This set of intangible resources that makes FBFs unique is called "familiness" (Habbershon, Williams, & McMillan, 2003). Therefore, the family business brand becomes a manifestation of the principal family and business values, with a specific product or service that will attract a public with whom it shares similar values. Millennial consumers are family-oriented (Hershatler & Epstein, 2010); that is, this Generation is well aligned with the core of FBFs and their identity as family businesses, or familiness (Habbershon & Williams, 2000).

Millennials, also known as Generation Y, have been the focus of many business dynamics debates because, for one, they represent the largest market since the Baby Boomers (Belleau, Summers, Xu, & Pinel, 2007). There are conflicting opinions on the birth-years the Millennial Generation embraces, with some researchers stating it includes those born between 1977 and 1994 (Noble, Haytko, & Phillips, 2009), 1979 and 1994 (Myers & Sadaghiani, 2010), 1981 and 1994 (Jayson, 2010), 1982 and 2003 (Sandeem, 2008), and after 1982 (Oblinger, 2003) among others. Nevertheless, they are commonly characterized as being highly creative, proactive, tech-savvy, open-minded, and environmentally and socially conscientious consumer activists.

As with all generations, a lack of a single definition, concept, or theory that fits all Millennials has led such a generation to be analyzed in different fields of study and from different approaches. This is equally applicable to both Millennials as well as FBF branding around the world. Therefore, an analysis of the Millennial consumer behavior (MCB) is essential to business dynamics improvement, including branding effectiveness. Moreover, the comprehension of Millennials is as insufficient as the effects of FBF branding efforts on consumer behavior; according to Kashmiri and Mahajan (2014), the scarce literature on the subject matter is odd given the economic importance of FBFs. As a result, the following questions emerge, are family business firms' branding efforts influencing Millennial consumers' behavior? What family business attributes drive Millennial consumers' purchase decision making? How are family businesses managing the attributes of their branding strategies?

With the questions above in mind, the objectives of this study are to (i) evaluate the branding efforts of the family business firms to engage Millennial consumers, (ii) evaluate the branding efforts of the family business firms to ensure Millennial consumers' brand recognition, and (iii) determine the family business attributes that drive Millennial consumers' purchase decision making. To do so, an empirical study was held with Millennial consumers residing in the Metropolitan Area of the Valley of Mexico.

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