

How CSR Shapes the Power of Family Business Branding

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KEYWORDS: Family Business Review, family business advice, Help with a family business, family business marketing.

Being family-owned or socially responsible endears a business to consumers. Having both attributes mutes the impact of family ownership, and requires a different branding strategy.

To differentiate themselves in the market and establish a competitive advantage, family businesses can highlight their unique ownership status—a communication strategy commonly referred to as family firm branding. Although consumers in general tend to trust family-owned companies more, new insights from our [recent study](https://journals.sagepub.com/doi/epub/10.1177/08944865241285488) (<https://journals.sagepub.com/doi/epub/10.1177/08944865241285488>) reveal that the effectiveness of this branding strategy can be influenced by whether and how they communicate corporate social responsibility (CSR) news.

What We Expected to Find

Certain words and concepts evoke deep-seated emotions and influence our behaviors as consumers (Higgins, 1996). The concept of “family,” which is deeply associated with humanness, can evoke a positive response because it’s typically where people learn empathy, trust, morals, and caring for others (i.e., benevolence). We suspected that communicating family status would evoke positive impressions and lead consumers to perceive the company as more benevolent, and in turn more likely to buy its products or services.

In a similar sense, CSR initiatives feature moral, benevolent behaviors, such as environmental protection or employee welfare, and are known to improve corporate reputation. We wondered if CSR messaging

could be used interchangeably with family firm branding. We also suspected that if consumers already perceive a company as benevolent due to its CSR initiatives, family firm branding might not have as much impact.

To ensure we assessed these effects accurately, we also considered the potential role of CSR news sources, which vary in their credibility. If the source is independent (e.g., a trusted newspaper or third-party organization), the effect of family firm branding, in line with our previous reasoning, could be less pronounced. But if the firm reports on its own CSR efforts, family firm branding might be more beneficial because it would make consumers more likely to trust the company’s claims. Especially considering growing consumer skepticism about greenwashing, the trust-enhancing humanness of family firm branding might improve the credibility of its CSR claims, and thus consumer responses.

What We Studied

To test these predictions, we conducted a series of experiments involving more than 900 consumers in multiple countries. They were randomly assigned to different scenarios that described fictional companies. With these experiments, we manipulated three key variables: (1) whether the company is described as family-owned or not, (2) whether the company was described as engaged in socially responsible behavior or not, and (3) whether the company’s CSR activities were communicated by an external source or self-reported.

What We Found

Our findings revealed three main insights:

- Family business branding boosts consumers’ purchase intentions, as we expected. When

companies disclose their family ownership, consumers perceive them as more human, and this perception increases the benevolence consumers attribute to these firms, leading to more consumer trust and increased purchase intentions.

- CSR and family firm branding can be redundant. When consumers already know about the company's CSR activities, the additional effects of family firm branding are diminished. Both CSR and family business branding signal a company's human and benevolent nature. If CSR already establishes this perception, adding family firm branding cues does not provide significant additional benefits.
- Family firm branding helps if the company communicates to consumers about its own CSR activities. If the CSR news is reported by an independent source (e.g., news article) with high credibility, family business branding doesn't matter as much. But when the company self-reports its CSR initiatives, adding communications about family ownership makes the CSR claims appear more credible, leading to higher consumer trust and purchase intentions.

Key Takeaways for Family Businesses

Use Family Firm Branding Strategically

If your business is already known for its strong CSR efforts, emphasizing family ownership may not add much value. For non-family firms and family firms that prefer not to reveal their ownership (e.g., for strategic reasons, such as to protect family privacy), positive CSR behaviors offer an alternative route to establishing a reputation for benevolence and trustworthiness.

Strategically Choose CSR News Sources

If family firms manage to get their positive CSR activities covered by credible, external sources, they may not need to highlight their family ownership status. The external validation already secures their reputational benefits.

Leverage Family Ownership in CSR Communications

If family firms self-report their CSR efforts (e.g., on their own website, or through social media), linking these

efforts to their status as a family business can provide a significant competitive advantage. Specifically, highlighting family ownership enhances the credibility of CSR claims, strengthening consumer trust and engagement. This is particularly valuable in industries prone to greenwashing—such as fashion, food, energy, and retail—where consumers are inundated with sustainability claims and have grown skeptical. By signaling authenticity, family ownership branding can reinforce consumer trust and credibility in environmental and social responsibility efforts, setting companies apart from less trusted corporate messaging.

Final Thoughts

Family business branding can enhance consumer perceptions, but its impact can vary based on the company's other signals—such as about its CSR. By strategically integrating family ownership messaging with CSR communication, businesses can maximize both their reputation and consumers' positive responses.

Explore the Research

Jaufenthaler, P., Schroll, P., & Grewal, D. (2024). [Consumer Responses to CSR News of Family Business Brands: An Experimental Approach](https://journals.sagepub.com/doi/epub/10.1177/08944865241285488). *Family Business Review*, 37 (4), 431-448.

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