

Should Family Members Be the 'Face' of Your Company?

Jonas Ruzek (Northeastern University)

Ben Cooper

Kimberly Eddleston (Northeastern University)

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Around the globe, advertisements for family businesses regularly include expressions like: “Our family serving yours for the last three generations” and, “Our name on the product guarantees its quality.” But emphasizing the “family” in marketing can be a double-edged sword. While it does create a sense of stability and trust with consumers (Hall et al., 2015), it can also be disastrous if the family misbehaves and consumers find out (Zanon et al., 2019). Relying on one family member in advertisements can also make it difficult for the next generation to step out of the shadows and take over the business.

These truths and others highlight why many experts emphasize that a family business should be very careful about thinking through just how much the family will be used in its marketing.

Although plenty of evidence suggests that family involvement can be a selling point, using the family in marketing also means that the lines between the business and family will be further blurred, for better or worse (Binz Astrachan, 2021). When the business gains public favor, so too does the family, and vice versa. For example, when a business-owning family is seen serving the community, it radiates a bright light on their business, increasing consumer trust in the family business (Hu et al., 2022). However, when the business behaves unscrupulously, a dark shadow is cast on the family too. Similarly, unethical and deviant behaviors by a family member often taint public perception of the family business. Therefore, marketing your family business is a delicate balancing act.

“When trying to figure out how to market your family business, ask yourself: What do you think is unique about your family business?,” advises Professor Isabel Botero of the University of Louisville, an associate editor at the Journal of Family Business Strategy. “How does

the involvement of the family in the business enhance this uniqueness? Do you want external stakeholders to associate the family with the business? If so, what aspect of your legacy do you want others to associate with the business? Do you want to highlight specific stories about the family? About an individual? Or do you want to highlight the impact of the business in the community?”

The answers to these questions can help a family business create a unique brand. However, before moving forward, Professor Botero also stresses the need to ask: “Do you want your family to be in the public eye?” If so, she advises, “you will need to prepare them for these responsibilities, because everything they do will reflect on your brand. You will also need to have a plan just in case there is a crisis, so that you are prepared for any negative consequences that may occur.”

You should also understand how family members themselves feel about potentially putting the family in the spotlight. Getting everyone on the same page before marketing is imperative. “The family needs to understand that branding yourself as a ‘family business’ comes with increased visibility and scrutiny,” said Dr. Claudia Binz Astrachan, advisor and head of governance at Generation6 Family Enterprise Advisors. “The public will be paying a lot more attention to the behavior of individual family members and look to identify occasions where family members may not uphold the values that they say they care about.”

At first glance, such ideas may seem abstract — but following some key pieces of advice can help you put those principles to practical use.

Remember the Basics

Before tackling the minutia of family dynamics and

storytelling, step back and consider the rudiments of spreading the word about your business, recommends Jay Mulki, a marketing professor at Northeastern University. A brand conveys to your audience what your business is, what it does, how it does it, and whom it serves (Montgomery et al, 2020). A successful brand succinctly tells a story that “[makes] the customer the main character and the company the guide” (Coley et al). Furthermore, this storytelling should have a motivation. For instance, is it the enjoyment of the consumer, the wellbeing of your workers, or perhaps the connection between your family business (and family) with the public?

Your branding can communicate this image and story in many ways. The storytelling for Arturo Fuente, a premium cigar business founded in 1912, emphasizes the family’s humble beginnings and their pride in the business. The homepage of their website features a picture of “father and son” and reads, “A family tradition since 1912.” The history section of the website also highlights the Fuente family’s passion for cigars, stating, “As they pass down to their children the culture and traditions of Arturo Fuente, the Fuente family will continue to make the world’s finest cigars for generations to come.” Arturo Fuente stresses consistency and dedication in its branding, said Carlos Arturo Fuente III — a member of the business’s fourth generation and a third-year student at Northeastern University. “The family business is very much about tradition...it has always been branded that way. Even the name of the company, Arturo Fuente, is the name of my great grandfather.”

Other family businesses, in contrast, downplay the family aspect of their company. As Dr. Binz Astrachan explains, “Not everyone cares about family involvement, and not everyone thinks of it as a positive thing.” Before branding your business as family-owned, it is therefore important to first understand which aspect of the family is valued by customers and other stakeholders. “Is it that the company has been in business for 150+ years, and has a reputation for developing high-quality, long-lasting products? Is it that the business has a reputation for being a good employer that does not lay off workers during an economic downturn? Is it that the business - and the family - are known for their corporate giving and philanthropy?” Once you understand what sets your business apart, Dr. Binz Astrachan states, “these valued attributes are the ones that need to be front and center in your messaging.”

Know Your Audience

Your business’s story should be tailored to the people you are trying to reach. Professor Mulki advises asking yourself: “Why should a customer buy your product? What makes your products unique? And how does your business address customers’ needs and wants better than the competitors?” By answering these questions, guided by feedback from customers, you’ll be better able to understand if and why being a family business matters to your customer base. In turn, promoting your family business in a targeted way will contribute positively to your brand authenticity (how much your brand stands out from others), and the ability of customers to identify and remember your brand (Zanon et al, 2019).

You must also think about who your potential customers are and where they live. For example, is a significant part of your customer base located in areas where cronyism is rampant, and people putting their family members in positions of power is consequently frowned upon (Binz Astrachan et al, 2019)? If so, downplaying your family business status may be a prudent business strategy, especially if your family business does not rely heavily on your family’s history and traditions.

Noel Segerstrom is a member of the fifth generation of CJ Segerstrom & Sons. His family develops real estate in southern California and is a major contributor to the arts. And while the business does not expressly indicate it is family-run, this hasn’t posed any significant issues, Segerstrom said. “Our holdings include a super-regional shopping center, South Coast Plaza, neighborhood shopping centers, apartments, high-rise offices, and farmland,” he said. “However, we got our start in Southern California as the largest independent producer of lima beans in the United States.” Mr. Segerstrom added, “Although we don’t overtly market ourselves as a ‘family business,’ our identity is tied to family ownership, and it is well recognized. Instead, we focus more on innovation, creativity, and integrity. Thus, it’s important to know how you want to market yourself and to support that strategy in all that you do.”

Decide Together on the Role of Family in Branding

Family businesses are, in many cases, driven not only by business goals but also by a desire to strengthen family relationships. So it is imperative that family members get on the same page about its branding

approach (Coley et al). This is especially true in cases where marketing materials emphasize the personal aspects of a family business and therefore, expose family members to more public scrutiny. In such instances, a scandal in the family can mean a scandal for the business — even more so than at family firms where the family keeps a lower profile in marketing. So, in addition to ensuring your family is comfortable with the way you're portraying them in relation to the business, it's wise to devise emergency plans in case of any problems within the family arise; for example, a divorce (Binz Astrachan, 2021).

Mr. Fuentes points out some important pros and cons he has experienced. "The pros of making the family central to the business's marketing is that it is very easy for the consumer to connect and resonate with the family and feel like they know them. But the negative is that there is a microscope on each and every member of the family, so that means each of us is now responsible for how the business is viewed in the public eye. And if that family member's values don't align with the values of our family and business, this could be a major issue."

Marketing as a "family business" can be particularly complex in cases where an entity's reputation is tied to one family member. Eponymous firms, that is, businesses named after a specific individual, often signal to consumers a personal guarantee of quality, as putting your name on something makes it seem like you're willing to stake your reputation on your business's performance. But such businesses have a particularly hard time decoupling the family and business in the public's eyes (Belenzon, 2019). "Using an individual's name, as opposed to a more anonymous brand/company name, is fraught with dangers," said Professor Mulki. "If there is a negative action associated with the family member, it can seriously hurt the product and the business's reputation." Similarly, Dr. Binz Astrachan adds, "Tying the brand identity to one single person can leave you vulnerable; they could have an accident, or mental health struggles could render them incapacitated - or they could do something illegal or unethical that would severely damage the reputation of the company."

Additionally, adopting a branding approach centered so heavily around one person can put severe pressure on succeeding generations; younger members may struggle to fill a legendary founder's shoes. "With the weight that my name carries and wanting to someday be

the successor of the family business, there is a lot of pressure to learn the ins and outs of business and industry," Mr. Fuente said.

In such situations, Professor Botero advises that family firms slowly introduce the successor, and potentially other family members, in their marketing so that customers can expect the baton to be passed to the next generation. "I think that when families are transitioning from one generation to the next, they can use this transition to market how the legacy is being renewed by the incorporation of new members," Botero said, adding: "It's an opportunity to introduce the next generation of the family who are going to continue the legacy."

One way to tackle this issue is to tell family and business stories, internally and externally, that unite generations around common themes and values. Doing so can give younger generations a clearer sense of direction as to how to take up the mantle left by predecessors (Vogel et al, 2020). Discussing the whole family lineage, and not just one generation or person, in your marketing can also help bring new leaders into the business (Ge, 2022) — while communicating themes of resilience, reliability, and continuity (Botha, 2018). Professor Botero also points out how family businesses should create a marketing strategy that communicates the transfer in leadership and the central role of the family so that the audience can get comfortable with changes in the organization and thus, remain loyal to the family business.

Experts therefore tend to suggest a more collective style of family business branding. Dr. Binz Astrachan points out how "talking about the family as a whole — versus leveraging a specific individual — helps promote a one-family approach...and nurtures family cohesion." Similarly, Mr. Fuentes suggests "thinking of ways that marketing can transcend time and not rely heavily on individual members of the family or individual traits of certain members. Instead, emphasize the family's vision and values as a whole in your marketing; visions and values that will survive through multiple generations and reflect the company's values into the future."

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