
Guest editorial: The future of family business: marketing challenges in times of crisis

Guest editorial

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The COVID-19 crisis has influenced consumer behaviour and the ways in which marketing can be used. Many similarities can be drawn between marketing during the pandemic and marketing during financial downturns.

In light of the sudden global crisis caused by Coronavirus, family businesses have faced new challenges. They now rely on decision-makers' cognitive outlines and social backgrounds (Mazzelli *et al.*, 2020). The COVID outbreak disrupted consumer behaviour (Zwanka and Buff, 2020), changed consumption patterns, transformed marketing channels (Kim, 2020; Duarte *et al.*, 2018) and required businesses to adapt their business models (Kraus *et al.*, 2020). This new reality brought about undue pressure for family businesses, which struggled to survive in such tumultuous times (Hughes *et al.*, 2020). Kraus *et al.* (2020) revealed that companies of all sizes across every industry adjusted their business models to the changing environmental conditions quickly. These conclusions show that the crisis has brought about a significant yet unintended cultural change.

Services such as LinkedIn, Facebook and other social media platforms are now crucial in many more situations than they were previously. However, despite the rapid growth of technologies that assist in day-to-day marketing operations (Rust, 2020; Reuber and Fischer, 2011; Vlačić *et al.*, 2021), family businesses face significant obstacles in the adoption, development and implementation of state-of-the-art technologies during times of crisis (Wang *et al.*, 2020; Kumar *et al.*, 2021). Although technological progress in marketing has facilitated better decision-making practices, unprecedented circumstances have increased the gap between current performance and desired performance (Singh and Thirumoorthi, 2019). Consequently, decision-makers face new conditions that affect their reasoning and their customer validation, forcing them to reframe their marketing operations (Syam and Sharma, 2018). This new set of rules has led to an increased demand for marketing internationalisation (Casprini *et al.*, 2020) accountability (Silva *et al.*, 2021) and for activities that facilitate customer welfare and business survival (Singh and Tiwari, 2020).

Given the impact of the COVID-19 crisis on family businesses – manifest in issues such as decreased demand, reduced orders, cost pressures and lack of suppliers – this special issue aims to provide a reference point, establishing the groundwork for researchers and practitioners facing uncertain times. This special issue aspired to improve our understanding of the range and profoundness of the processes, contents, drivers and barriers of marketing and its management under the influence of COVID-19.

This special issue contributes to family business management literature and crisis management studies by incorporating its findings into the proposed crisis responses of Kraus *et al.* (2020) and Wenzel *et al.* (2020). The papers' findings not only reinforce these results, but also advance research on marketing responses in crises, indicating that these strategies are integrated through various interventions. Secondly, this issue contributes to family firm research. The authors identify that family firms' place increased significance on the integration of marketing channels for multiple target segments. The third contribution is accentuated by the current impact of the pandemic, which has shifted our use of operational marketing and digital tools, (positively) forcing a culture of digitalisation. This last point also



provides another insight: it identifies the distinctions between marketing changes initiated by the firms, and reveals the unintended changes arising as a result of the crisis.

Each article delivers something unique: an earlier unexamined practice for transition countries, new relationship dynamics, or novel contexts. A series of meaningful theoretical lenses support readers to better understand marketing and management practices in family firms around the globe. This topic remains a promising stream of research, and we predict that future research will go on to further develop our understanding of family firms and their marketing on a global scale.

Family firm owners and managers can benefit from the insights of this research. We predict that this special issue will extend our knowledge base and contribute towards marketing research in relation to: what the best practices during COVID-19 conditions were for diverse sectors; what characterises the sector's actors and the their collective marketing resilience practices; what kinds of knowledge and information flows occur; and what constitutes the nature of the contemporary research and knowledge landscape with regard to family firms, etc.

Special issue articles

The articles featured in this special issue analyse these recent developments. They approach the nascent gaps in research debates, thus forming an important contribution to the field in the context of family firms' marketing practices.

The first article of this special issue, written by Goran Vlašić, is entitled "Comparative analysis of the role of strategic orientation, strategic performance metric focus and strategic audacity in driving firm performance: family businesses vs. non-family businesses". The paper focusses on the extent to which strategic orientations (market orientation and technology orientation, which reflect strategic approach), strategic performance metric focus (including financial-based, optimisation-based and market-based focus, which reflect strategy evaluations), and strategic audacity (which reflects the boldness required to envision and deliver strategic outcomes) play a role in driving firm performance in family businesses vs. non-family businesses. The authors use regression analysis on a sample of companies in a developing EU country ($n = 282$) to evaluate the impact of strategic orientation, strategic performance metric focus and strategic audacity on firm performance. These enquiries are conducted separately across three samples: the full sample (consisting of both family- and non-family-owned firms), a sample of family businesses and a sample of non-family businesses.

The second article, "Family businesses navigating the COVID-19 through a gender perspective: external and internal factors in stimulating dynamic capability development". Written by Dafna Kariv, Luis Cisneros, Florence Guiliani and Rahma Chouchane, explored responses from 261 Canadian family business owners. The authors sought to interpret, through intertwined external and internal viewpoints, how female and male owners of family businesses impacted by the pandemic developed new capabilities in answer to the market's crisis-related needs. Specifically, this study seeks to decipher the role of external support, mediated by the owner's psychological capital (i.e. internal perspective) and moderated by gender, on the development of capabilities connected to the market's changing needs, pulling on the conceptualisation of dynamic capabilities.

The third paper, "Assessing the AI-CRM technology capability for sustaining family businesses in times of crisis: the moderating role of strategic intent", by Ranjan Chaudhuri Sheshadri Chatterjee, Sascha Kraus and Demetris Vrontis, investigates the potential for artificial-intelligence-integrated customer relationship management (AI-CRM) technology to sustain family businesses in times of crisis, assessing the moderating role of strategic intent. Through a survey of $n = 332$ respondent firms, the study finds that the adoption of AI-CRM technology significantly and positively impacts upon the dynamic capabilities of the family

businesses, such as sensing, seizing and transforming capabilities. These, in turn, positively and significantly influence sustainability during crises.

The fourth article, “Bouncing forward or bouncing back? How Family Firms Enact Resilience in Times of Crisis”, is an empirical research study written by Lucija Mihotić, Mia Raynard and Dubravka Sinčić Ćorić. The paper provides insights into the ways in which family-run businesses in Croatia have faced unexpected challenges as a result of the COVID-19 pandemic. This has led to increased resilience through marketing flexibility. The authors have used a qualitative case study design, based on semi-structured interviews and organisational documents. The results have shown that family-run businesses have used social capital and family relationships in retrospective and prospective ways. Both approaches have led to different forms of success. This paper serves to establish a better understanding of the ways in which family resources can be used by family businesses to face unpredicted market conditions through actions that foster resilience.

In the fifth article, entitled “The impact of family business brand trust and crisis management practices on customer purchase intention during Covid-19”, Ourania Gkouna, Georgios Tsekouropoulos, Dimitros Theocharis, Greta Hoxha and Athanasios Gounas investigate how family businesses were affected by the pandemic in financial, organisational and operational terms, and how this endangered their profitability and viability. The authors point out that findings from the fields of consumer behaviour and market intention are important to family firms’ strategies and development. Primary quantitative research, conducted on a sample of 817 consumers, showed that both brand trust and purchase intention had a significant positive relationship. This showed that the more trust evoked by a family business brand name, the more likely the intention to purchase would be. Furthermore, the greater the degree of efficiency of family businesses with regard to crisis management practices, the greater the intention to purchase on the part of the consumer.

The sixth article, entitled “Effective business model adaptations in family SMEs in response to the COVID-19 crisis”, by Sofia Brunelli, Rafaela Gjergji, Valentina Lazzarotti, Salvatore Sciascia and Federico Visconti, tested the effects of two major business model adaptations – namely changes in value proposition and changes in target market – on a sample of 96 family SMEs. The findings show that only the changes made to the value proposition had a positive and significant impact on performance, helping family SMEs to better confront the crisis. However, this effect is reduced in instances of target market changes. The paper expands existing research on how a specific type of firm, i.e. the family SME, copes with external shocks. Therefore, it contributes to studies on business model adaptation, family business and environmental crises.

In the seventh article, entitled “Strategic responses of the family businesses in accommodation industry: lessons for overcoming crises”, Nuno Fernandes Crespo, Cátia Fernandes Crespo and Maria Calado question the relevance of specific strategic orientations for family businesses in the context of an intense crisis, such as the COVID-19 pandemic. The authors explore the role of family adaptability in persisting during the crisis. The authors consider how proactive strategic responses, linked to marketing or retrenchment responses, could be used to reduce the costs related to the expected survival of the crisis.

In the eight article, “The role of emotions in B2B product advertising on social media: a family business case study”, Emilio Pirraglia, Felice Giuliani, Roberta De Cicco, Claudio Di Berardino, and Riccardo Palumbo examine the most effective form of communication in a Facebook video advertising campaign. They seek to raise brand awareness and engagement through an experimental case study of a family business that specialises in the production and commercialisation of biostimulants. By comparing the results of two promotional videos – one featuring emotional components and the other featuring instrumental traits – the research specifically aims to fuse digital marketing with established psychological and behavioural theories, thus providing insights into potential new marketing strategies. The findings suggest that emotional videos generate more passive behaviours, such as views, and active behaviours

such as likes, comments and shares, while functional videos induce people to search for more information about the advertised products.

The ninth paper, “Business process innovations in family firms: Evidence from Serbia”, written by Mihailo Paunović, Marija Mosurović Ružičić, and Marija Lazarević Moravčević explored the innovation performance of Serbian family firms. The authors assessed the differences in the innovation performance between family and non-family firms, as well as different types of family firms. They examined the relationship between business process innovation and customer satisfaction for 207 young Serbian companies from various industries. These firms were founded in 2015, and they issued their financial statements in 2017. The results suggested that family and non-family firms were equally determined to introduce innovations in business processes. Furthermore, the study did not confirm significant differences in the performance of business process innovations amongst family firms in the manufacturing, trade and service sectors. Finally, the results demonstrated that introducing business process innovations positively correlates with customer satisfaction and customer retention in Serbian family firms.

The tenth article, by Marica Melović, Mehmet Emin Baynazoğlu and Neven Šerić, is entitled “Family businesses in tourism-the use of digital technologies in times of uncertainty and crisis”. It explores the impact of digital technologies on the promotion of tourist offices activities from the perspective of family businesses. The paper tries to provide a better understanding of the factors that determine the use of digital technologies in the family tourism business; both in the modern digital world and during times of uncertainty and crisis caused by the COVID-19 pandemic. This enables an integrated analysis that forms the basis for the further creation of tourism and marketing policies at both an individual and collective level, attracting tourists and strengthening Montenegro’s competitiveness as a destination. The results of the logistic regression reveal that the pandemic had a bigger impact on micro and small enterprises, in comparison to medium-sized firms. These effects relate to changes in organisations and the redesignation of workflows, altered communication (from traditional to digital) and the increased importance of business innovations. On the other hand, the increased significance of the integration of marketing channels for multiple target segments, as a consequence of the COVID-19 pandemic, was more pronounced in medium-sized businesses in comparison to micro and small businesses. The results obtained may help the tourist offer, managers and decision-makers when making decisions on the imposition of digital technologies in tourism. This will allow them to secure a global reach for their business, facilitate multi-channel tourist interaction, save on costs and get ahead of competitors.

The eleventh article, written by Priscila Correa Franco Amaral and Angela Da Rocha, entitled “Building resilience during the Covid-19 pandemic: the journey of a small entrepreneurial family firm in Brazil”, assessed the ways in which small entrepreneurial family businesses in the tourism industry developed over the course of the Coronavirus pandemic and demonstrated different types of resilience. The research investigated the pandemic in Brazil, using a real-time longitudinal case study based on interviews conducted with business founders. The findings showed how firms adapted during the pandemic, moving through stages such as interruption, loss, resumption and recovery. Each stage manifested different dimensions of organisational resilience, including anticipation/awareness, coping and adaptation. Several capabilities, such as emotional, cognitive, behavioural and relational capabilities, were relied upon by entrepreneurs when responding to the challenges posed by the pandemic. Few researchers have investigated how small entrepreneurial family businesses in the tourism industry have been affected by long-lasting or recurrent disruptive events. To fill this gap, this study reveals how firms of this kind respond to crises and how they employ different capabilities at each stage across a range of dimensions of organisational resilience.

COVID-19 continues to evoke change on a global scale. This special issue sets the tone for the next wave of meaningful research contributions analysing family firms and the influence of COVID-19 in the marketing domain.

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