

WHAT DRIVES SMALL FAMILY BUSINESS COMPETITIVE ADVANTAGE? THE ROLE OF FAMILY IMAGE AND FAMILY INVOLVEMENT

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Introdução

Micro and small business play an important role in economic terms worldwide. Despite their importance, the successful operation and survival remain a challenging task. Frequently, there are quite a few competitors in the same industry, operating in close spatial proximity, and targeting the same consumer market, which makes the environment highly competitive. Facing fierce competition requires the achievement of competitive advantages to maintain a loyal clientele and accomplish satisfactory operational and financial performance.

Problema de Pesquisa e Objetivo

To the best of our knowledge, there is no research investigating what strategies owners of SFB adopt to differentiate their business in the market. Do SFB balance their presumably cost disadvantage with a greater value offer? Do SFB really pursue a strong focus on customer orientation? Are their managerial practices and policies set in order to meet customers' needs? What do SFB do to establish long-term relationships? Hence, this study aims at answering the following research question: which strategies do SFB's family managers adopt in order to obtain a favorable position in the market?

Fundamentação Teórica

The family name comes as the first element driving differentiation. The business image and reputation are often attached to the family name (Robins, 1991). Relationship-related aspects are the second source of advantage, as relationships are at the heart of family business (Cooper et al., 2005). The third group of possible advantages comes from operations-related elements. An excellent customer service, focusing on value and not price and being a market specialist are strategies likely to create a differential position (Orth & Green, 2009).

Metodologia

We interviewed 22 owners of SFB in the cities of Pará de Minas and Oliveira, Minas Gerais state. The interviews took place in the respective facilities, lasting for 45 minutes, on average. We used a semi-structured script (Appendix) to capture their opinions about the main strategies they use to manage the business. The interviews were recorded and subsequently transcribed. All participants responded voluntarily and were assured of confidentiality. Data analysis followed the methodological logic of Grounded Theory (Glaser & Strauss, 1967; Strauss & Corbin, 1998).

Análise dos Resultados

After an initial open coding step, we identified 6 concepts, equally grouped into two categories. The first category, named Family Business Equity, consists of three concepts, such as Family Image, Family Involvement, and Business Longevity. The second category, named Family Business Managerial Practices, is also formed by three concepts, named Customer Orientation, Customer Relationship, and Quality Excellence. In the following paragraphs, we'll describe each concept and category and the respective relationships among them.

Conclusão

The three concepts composing Family Business Equity encompasses Family Business Managerial Practices, or more specifically, they shape the practices adopted by SFB to differentiate themselves in the marketplace and gain a competitive advantage. The concepts composing Family Business

Managerial Practices, in their turn, reinforce Family Business Equity and its respective categories. In this sense, the relationship between them is reciprocal, it seems to be a two-way road. Summing up, Family Business Equity shapes and is fed back by Family Business Managerial Practices.

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