INFLUENCE OF TECHNOLOGY ON FAMILY BUSINESS IN INDIA

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ABSTRACT

Purpose: *This research paper intended to identify the factors influencing branding of family business in India in the technology era. The changing payment system, customer data management, and ecommerce influence on family businesses branding were set as objectives of the study,*

Methodology: *Researchers conducted bibliometric analysis of scopus articles in the domain of technology and family business, branding and family business, and also technology influence on branding family businesses. Further, authors conducted co occurrence and cluster analysis to know the emerging challenges and opportunities in the family business. Brand value and brand rankings of 22 Indian family businesses were analyzed to know the transformation firms had in the digital era.*

Findings: *Indian family businesses are improving their brand valuation in IT, Automobile, retail, banking and FMCG sector. It was also observed that there is a significant improvement in the brand valuation. However, a few traditional family businesses groups did not figure in the prominent brands.*

Conclusions: *Indian top family business houses are rapidly adopting new strategies in branding their firms. However, the family businesses are extending their businesses to limited areas and a few prominent family business houses did not cut into the global brand category.*

Originality*: This paper is not a part of any publication nor in the process of publication.*

Limitations: *The research paper examined the small and medium family owned enterprise strategies from secondary data.*

Keywords: family business, brand identity, brand associations, brand valuation, and brand momentum

INTRODUCTION

According to Taiguri and Davis (1996), who offered a more thorough interpretation, family firms are defined as "organisations where two or more extended family members influence the direction of the business through the exercise of kinship ties, management roles, or ownership rights." Handler's (1989) defined a family firm as one that was managed (and owned) by a single or multiple family members.

Need for adopting technology in family business

Family and social support are factors that contribute to the sustainability of family businesses (Hammond, 2003). An organization's resilience is increased through taking part in community activities (Sommers, 2009) and belonging to a social community (Jang, 2005). Family functional and structural integrity, as well as the family's established pattern of reacting to shocks, are three processes that contribute to the family firm's resilience, according to Smilkstein et al. (1982).

Five elements make up family functional integrity: adaptation, partnership, growth, affection, and resolution. According to Lavee, McCubbin, and Olson (1987), McCubbin and McCubbin (1988), and Patterson (2002), "family resiliency" refers to a family system's capacity and attributes to successfully manage significant hardship.

Resilience is the ability to deal with stressful conditions and emerge stronger as a result (Walsh, 2003).

The business environment, capitalization, family health, succession concerns, and family dynamics mediation all have a role in the family's success. Resilience as a personal trait is strongly correlated with social competence, problem-solving abilities, autonomy, optimism, and social support (e.g., Cicchetti & Garmezy, 1993).

When a business can adopt these characteristics, it can succeed (Walsh 1994, 2003). According to Hobfoll's Conservation of Resources (COR) hypothesis (2001), stress occurs when resources are threatened, lost, or thought to be unstable, or when people and organisations are unable to find a way to foster and safeguard their resources through individual or cooperative efforts.

The family business' capacity for resilience serves as a reserve of potential resources that allows them to handle disaster events through individual or group efforts for problem solving and resuming their growth route (Danes et al., 2008).

Family sustainability and resiliency are indicated by the ability to cope with common but challenging circumstances (Miller et al., 2000).

The size of the family and the firm, the number of roles each member fills within the family and the firm, the managers' ages and educational backgrounds, the family's income, whether the firm was operated from home, and whether the family was entrepreneurial are all factors that affect the firm's ability to adapt. The process of role assignment, family bonds, shared beliefs, conventions, and rituals are all examples of family roles and duties. (Haberman and Danes, 2007; Danes and Olson, 2003).

Branding and family business

Brand association

Stakeholders may have negative opinions of the family firm status, such as accusations of nepotism or a lack of professionalism. 2019 (Astrachan et al.).

Brand identity

In fact, Facebooks might be considered a standalone brand. The identity-oriented strategy demands that the internal and external perspectives of brands be consistent in order to speak of a strong brand (Krappe et al 2011).

By emphasising the needs of the client, creating a family-based brand identity indirectly improves business performance (growth and profitability). On the other hand, attempts to use a product-centric approach to leverage family-based brand identity have no effect on business performance (Crag et.al, 2008).

Technology influence on branding of family business

Most family-run firms don't see the need for complex websites or enterprise software. But as a firm expands, adding clients and staff as well as new goods or services, it makes sense to make technology investments to keep up with the expansion. Does that imply that family-owned businesses must spend money on supply chain or ERP systems? Most likely not. not straight away, at least. But any small family-owned, brick-and-mortar, or e-commerce business may scale significantly more easily with the help of these four cloud-managed, IT, and automation products, all of which are aimed at small and medium businesses. Digital marketing, cloud-managed productivity applications, e-commerce, and social networking websites (Pointstar, 2017).

Models and methods are provided by knowledge management to support the significance of tacit knowledge management in the professionalization and succession processes. When uncertainty seems to last forever, knowledge management becomes essential. (Zappa, 2022).

Growth of a firm depends on a variety of factors, some of which are out of the family's control. The dynamic ecology in which SMEs operate is one of these components. The normal family business is affected in a significant way by this, and whether it will expand and prosper depends greatly on the company's capacity to adjust to changes in technology, innovation, and market demand.

One of the biggest issues facing many family businesses today is the digitalization or "digital transformation" of our economy. As technology advances, this transition must occur quickly and nimbly for the business to remain competitive, or at least on an even playing field.

The transition to digitalization creates greater challenges for family businesses than for businesses that do not employ family members, but it must be undertaken eventually.

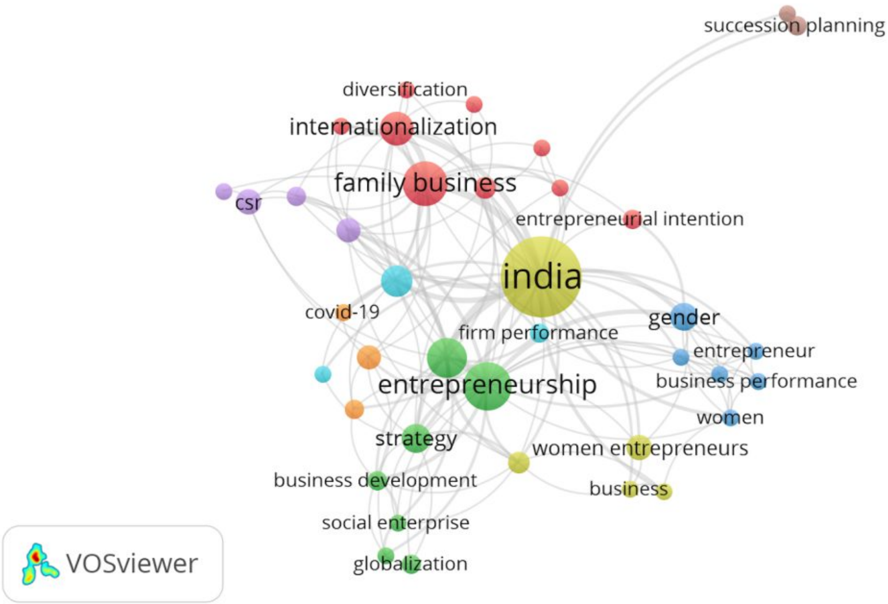
Every family-run firm has a number of traditions and ideals that are static, never actually change, and remain constant. A clear sense of values and purpose is typically advantageous, but it can also bring challenges because it can be challenging to strike the correct balance between upholding these constants and pursuing speedy market adaptation.

Family enterprises must be receptive to a transformative culture that includes the capacity to embrace change and take action to address it. The disruptive effects of new technology are changing both business and the world as we know it. One of the key reasons why well-planned succession in family businesses is essential to the longevity of the family business is because the next generation can frequently assist the family firm in adapting more quickly. It is essential to have a well-organized plan in place for transferring administration of the family business to the next generation. (fmailybusinessmt 2022).

Parker & Castleman (2009), in their study, examined how small companies respond to quick changes in their industry. They observe that in these circumstances, some family firms use crisis management tactics, while others try rapid integration without a plan, and yet others decide to ignore these strategies completely utilising disruptive technology (Parker & Castleman, 2009).

Co -Occurrence analysis of family business and India

Figure 1: Co-occurrence analysis of family business and India keywords



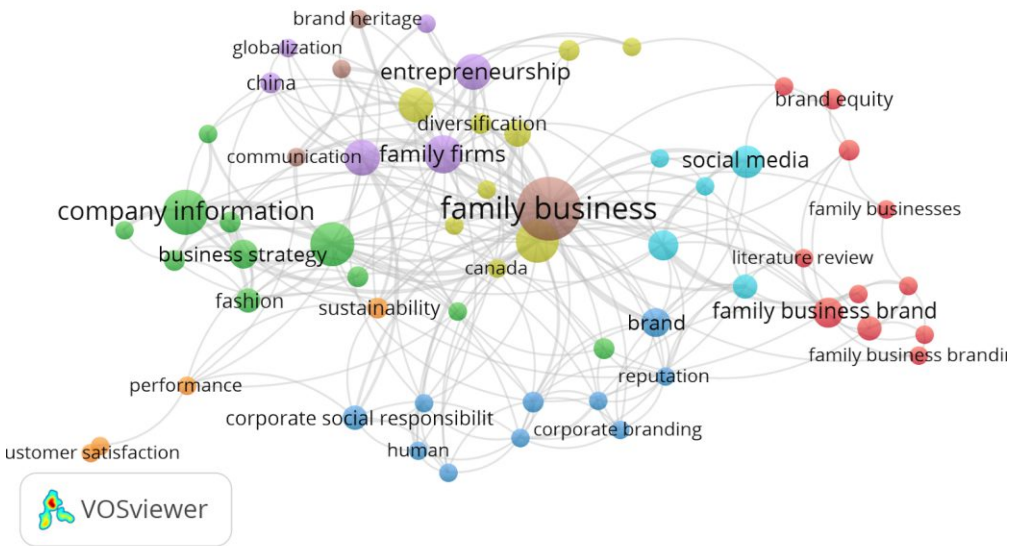
(Source: Primary Data)

Researchers availed the services of scopus database to create the CSV file pertaining to Family business and India. After the file creation, the co-occurrence analysis of all keywords was conducted. The analysis divided the keywords into five clusters. First cluster highlighted globalization and internationalization of family business. Second cluster developed on gender and performance in the family business. Further, the third cluster depicted strategy and entrepreneurship keywords. Fourth cluster impact of uncertainties in the family business mentioned and finally, fifth cluster assessed on taxation and government frameworks.

Research gap identified: Branding and technology related studies on family businesses not conducted.

Family Business and branding

Figure 2: Co-occurrence analysis of family business and branding in global scenario.



(Source: Primary data)

The initial studies on family business and India for technology and branding drawn blank from scopus databases. Thus, researchers conducted branding strategies of family businesses globally. The co-occurrence analysis of family business revealed different clusters. The first cluster highlighted the family business brand equity. In the second cluster company strategy for sustainable branding noted. Further, the third cluster funneled down to corporate branding and reputation. The fourth cluster was created based on branding strategies for diversification and entrepreneurship. In addition to this, the fifth cluster worked on brand performance and brand heritage.

Research gap: The country co-occurrence for family business and branding has not occurred for India. Hence researchers identified the gap of conducting brand identity and value studies on Indian family businesses.

Keyword Density Analysis

Researchers' qualitative study on co-occurrence analysis yielded less results for branding and family businesses. Thus, researchers conducted keyword density analysis .

Table 1: Keyword density analysis of family business and branding

1.	Family Business, India	6	0.35%
2.	Corporate Social Responsibility	4	0.23%
3.	Family Owned Business	4	0.23%
4.	Human Resource Management	3	0.17%
5.	Family firms; firm	3	0.17%
6.	Small Business Growth	3	0.17%
7.	Work-Family Enrichment	3	0.17%
8.	Work –life Balance	3	0.17%
9.	Entrepreneurship, Family firms	3	0.17%
10.	Family firms, India	3	0.17%

(Source: Primary data)

Researchers combined three words to get meaningful density. The analysis proved that keywords summarized family business, corporate social responsibility and work life balance. Thus, confirming the hypothesis creation on lack of branding studies in the family business ecosystem.

DISCUSSION

Research gaps on branding strategies with reference to family businesses encouraged researchers to know the brand performance. The brand value and brand momentum variables are considered as metrics for assessing brands performance. To conduct the analysis researchers shortlisted 22 business houses in India who are running businesses at least for 50 years and have minimum 100 crore turnover.

Table 2: Prominent family businesses in India

Sl. No	Family Business Name	Inception Year	Name of the founder
1	Tata	1868	Jamshetji Tata
2	Birla	1850	Ghanshyamdas Birla
3	Murugappa	1900	Dewan Bahadur
4	Dabur	1884	Dr. Berman
5	Wadia	1736	Sir Horvii Nusserwanieee Wadia
6	Godrej	1897	Avdeshir Godrei and Piroisha Godrei
7	Modi	1933	Raj Bahadur Gujramal Modi
8	Mahindra	1945	J.C.mahindra and K.C.Mahindra
9	Hero Cycle	1944	Shri Brijmohanlal Munja l
10	Kirloskar	1888	Laxmanrao Kirloskar.
11	Raymond	1925	Vijaypat Singhania
12	Wipro	1945	Moharnrnad Premjee.
13	Finolex Cables	1958	P.P.Chabriya & K.P.Chabriya
14	Cyrum	1960	Cyrus Poonawala
15	Thermax	1966	A.S.Bhathena
16	Jindal	1952	O.P.Jinda l
17	Kalyani	1960	Neelkan t Kalyani
18	Garware	1933	Dr.Bhalchandra Garware
19	Reliance	1932	DhirubhaiAmbani
20	Firodiya	1932	N.K.Firodia
21	Cipla	1937	Khwa ja Abdul Hamied
22	Baja j	1926	Jamnalal Bajaj

According to wikipedia brand valuation is the process of estimating the total financial value of a brand. It is calculated on cost income and market approach. The approaches influence the revenue and profits of the organization. Researchers used Kantar model of brand valuation and brand momentum to know the Indian family business brand performance.

Researchers selected Indian brands figured in the Kantar brand list for two years 2021 and 2022. Further, out of the 75 brands filtered, researchers selected 18 brands managed by family businesses. Tata group brands TCS, Tanishq, Tata motors created the brand value and momentum for the group. Mahindra group brands such as Kotak Mahindra Tech Mahindra and Mahindra showed significant improvement. Further, India's prominent business house Reliance group got its brands Jio, and Reliance retail showed impressive growth.

Sl. No	Brand	Brand valuation in Indian rupees (Millions) 2021	Brand value in Indian rupees(Millions) 2022	Brand value movement compare to previous year (in %)
1	TCS	1207420.5	3767152	212
2	Kotak Mahindra bank	597125.45	985257	65
3	Jio	564401.91	886111	57
4	Wipro	104456.12	571375	447
5	Reliance retail	115787.72	329995	185
6	Tanishq	208868.55	517994	148
7	Britannia	271907.63	356199	31
8	Dabur	176047.62	258790	47
9	Bajaj Auto	207131.78	221631	7
10	Tech Mahindra	54877.679	184389	236
11	Indusind Bank	77112.017	179671	133
12	Hero Motocorp	155322.32	173961	12
13	Tata Motors	103750.91	114126	10
14	Mahindra	69655.215	113538	63
15	Godrej Properties	99537.273	109491	10
16	Parachute	52061.084	105684	103
17	Royal Enfield	59912.644	104248	74
18	TVS	89947.273	98942	10

Other companies such as WIPRO, Godrej, Dabur, TVS, Marico and Hindujas make it to the best brands list of family businesses. Researchers analyzed the consistency of brand valuation for two years (2021 and 2022) using two tailed t test at 95 % confidence level.

t-Test: Paired Two Sample for Means		
	Brand value in Indian rupees (Millions)	**Brand value movement compare to previous year (in %)**
Mean	234184.6507	504364.1111
Variance	84387033150	7.34E+11
Observations	18	18
Pearson Correlation	0.947092585	
Hypothesized Mean Difference	100000	
df	17	
t Stat	-2.665753519	
P(T<=t) two-tail	0.016297845	
t Critical two-tail	2.109815578	

The t test result ($t=0.016$, $N=18$ $p<0.05$) exhibit that there is a significant improvement in the brand value and brand valuation of family businesses in India.

CONCLUSION:

Indian family businesses are transforming in the technology era. Family businesses are entering into the rising industry. Information technology, automobile, and retail sectors are embraced by Indian family businesses. Banking and FMCG still have the shine in the transforming era. However, the academic research is confined to gender and geographic area based family business studies. There is a scope for technology and brand interventions in the family business domain research. It is also observed that a few business houses in the preliminary 22 companies did not figure in the top brand list. Family business groups such as Muragappa, Jindal, Theramax, Kirloskar etc need to make extra efforts in building the brand.

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